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MEMORANDUM TO INDUSTRY COMMITTEE NO. 62

FOR THE

FRUIT AND VEGETABLE PACKING

AND FARM PRODUCTS ASSEMBLING INDUSTRY

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FOREWORD

This memorandum has been prepared for the use of Industry Committee No. 62, which was appointed by the Administrator of the Wage and Hour Division on July 15, 1943, pursuant to the provisions of the Fair Labor Standards Act. It is believed that the materials here presented, though summary in nature, will be of assistance to the Committee in the performance of its statutory function of investigating conditions in the industry and recommending to the Administrator, with due regard to economic and competitive conditions, the highest minimum wage (not in excess of forty cents an hour) which it determines will not substantially curtail employment in the industry.

The memorandum was prepared by Willard Friedman and Lucille Reifman under the general supervision of Verl E. Roberts, Chief of the Minimum Wage Studies Section.

Harry Weiss, Director
Economics Branch

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DEFINITION

Administrative Order No. 202 issued July 9, 1943 defines the Fruit and Vegetable Packing and Farm Products Assembling Industry as follows:

The Assembling and preparing for market of fresh fruits and vegetables, and other farm and related products (including wild and domesticated animals other than those assembled for processing into food for human or animal consumption).

a. It includes, but without limitation:

(1) The packing of fresh fruits and vegetables, the shelling of nuts; the ginning and compressing of cotton; the retting and decorticating of flax and other vegetable fibers; and other similar operations performed on farm and related products.

(2) The gathering or collecting of wild berries, plants, flowers, gums, saps, seeds and other forms of wild plant or animal life.

(3) "The leaf processing branch of the Cigar Industry" as defined in the wage order for the Cigar Industry.

b. Provided, however, this industry does not include: (1) the assembling of fresh fruits and vegetables or other farm and related products when performed in a marketing or wholesaling establishment which does no preparing for market within the meaning of this definition and which receives directly from gatherers of non-cultivated products or from farmers products constituting less than one-half of all products handled; (2) logging; (3) public warehousing of commodities other than cotton; (4) any product included in the Canned Fruits and Vegetables and Related Products Industry; Cottonseed and Peanut Crushing Industry; Vegetable Fats and Oils Industry; and Meat, Poultry, and Dairy Products Industry (as defined in Administrative Orders Nos. 182, 189, 190, and 201 respectively), or in the Grain Products Industry and the Tobacco Industry (as defined in the wage orders for such industries).

The definition of the Fruit and Vegetable Packing and Farm Products Assembling Industry covers all occupations which are necessary to the operations of the industry, including clerical, maintenance, shipping and selling occupations, provided that where an employee covered by this definition is employed during the same workweek at two or more different minimum rates of pay, he shall be paid the highest of such rates for such workweek unless records concerning his employment are kept by his employer in accordance with applicable regulations of the Wage and Hour Division.

Inclusions and Exclusions 1/

The definition of the Industry covers several broad categories of economic activity, among the most important of which is the packing of fresh fruits and vegetables. Packing embraces all operations necessary to prepare the goods for market in their raw state. These operations generally include the assembling of the goods, and such processing as cleaning, washing, sorting, grading, ripening, precooling, placing into containers, and fastening the containers. The assembling of box shook is also included when performed in the packing house as part of the packing process.

A second broad group covered by the definition consists of that defined by the Census of Wholesale Distribution as "assemblers of farm products." It includes in the main: country buyers (both independent and commission buyers); cooperative marketing associations and sales agencies; country grain elevators; and packers and shippers. These assemblers are primarily engaged in purchasing produce from farmers, country stores, dealers and other country buyers, and also from the gatherers or collectors of wild berries, plants and other forms of wild life, and then "preparing for market" such products. Their "preparing for market" activities involve cleaning, grading and polishing of such produce as nuts and fruit, cleaning, grading, cold packing or dry packing of vegetables, shelling of nuts, threshing of beans, cleaning and grading of wool and nursery stock, and the retting and decorticating of flax and hemp.

Another group consists of "the gathering or collecting of wild berries, plants, flowers, gums, saps, seeds and other forms of wild plant or animal life." In this group are included such activities as the following:

picking of wild berries, fruit, and nuts
gathering of maple sap from uncultivated trees
trapping and skinning of wild animals (except for processing into food for human or animal consumption)
gathering of wild plants, seeds, pine cones, medicinal plants and bark, including aquatic forms of plant life
gathering of wild animals, including aquatic forms of animal life (except those gathered for processing into food for human or animal consumption)
gathering and drying of Spanish moss

The Industry is intended to cover all economic activity in connection with products of the farm and other related products, subsequent to the stage of agriculture and prior to the stage of manufacture. With relation to the non-cultivated products included within the definition, the Industry covers all economic activity prior to the stage of manufacturing. Those processing operations (for example, cleaning, grading, polishing, etc.) which are included are, in their marketing context, typically considered preparation for market rather than manufacturing. The definition

1/ The following discussion does not purport to be an all-inclusive statement of coverage, but is intended to indicate the general scope of the industry as defined.

thus covers all processing of plant and animal products which precede the operations covered by existing wage orders for manufacturing industries. An example of this is the skinning of fur-bearing animals, an operation excluded from the definition for the Miscellaneous Textile, Leather, Fur, Straw and Related Products Industries. This latter definition covers all processing operations subsequent to the stage of assembly.

The definition is not intended to cover ordinary wholesalers of farm produce and therefore sets up two tests in order to determine whether or not a wholesaling or marketing establishment shall be included. Excluded from the definition are wholesaling or marketing establishments

a) which do no preparing for market within the meaning of the definition, 1/ and

b) which receive directly from gatherers of non-cultivated products or from farmers, products constituting less than one-half of all products handled.

It follows, therefore, that establishments which obtain directly from gatherers of non-cultivated products or from farmers 2/ products consisting of less than one-half of all products handled are within the scope of the definition of the industry if they perform some preparing for market activities. Likewise, establishments obtaining more than half of the commodities handled directly from farmers or from gatherers of non-cultivated products, are covered regardless of whether or not they prepare such commodities for market.

It is to be noted that such wholesaling or marketing establishments as are excluded from the definition of this Industry will be subject to the jurisdiction of the industry committee which has just been appointed by the Administrator for the Wholesaling, Warehousing and other Distribution Industries. (See Administrative Order No. 208)

Further, the definition includes the "leaf processing branch of the cigar industry" in its entirety, as such branch is defined in the wage order for that industry. That wage order, as issued July 11, 1942, defined the leaf processing branch as follows:

> The preparation for marketing (including wholesaling) of cigar types of leaf tobacco (as defined by the Bureau of Agricultural Economics of the United States Department of Agriculture) and the scrap tobacco therefrom for use in the manufacture of cigars and other tobacco products.
>
> The term "preparation" as used herein includes all operations involved in making cigar leaf tobacco and scrap tobacco therefrom suitable for use in the manufacture of cigars, whether performed by employees of warehousemen, manufacturers, leaf

1/ Such operations as the occasional and incidental repacking of a few crates of packed fruits or vegetables will not, for the purposes of the present definition, be considered as "preparing for market".

2/ Purchases from farmers' cooperatives will not be considered as purchases "directly from farmers".

dealers or others. It includes, but not by way of limitation, the operations of grading, sorting, packing, sweating, fermenting, stemming, and conditioning. It does not include, however, such preliminary processing of cigar types of tobacco or scrap tobacco therefrom as is performed in a manufacturing plant as an integral part of the manufacturing operations attending the production of tobacco products other than cigars, nor does it include operations performed by a farmer or on a farm as an incident to or in conjunction with farming operations. Other activities covered by the definition are as follows:

a. Ginning, compressing, and warehousing of cotton. The independent or public warehousing of all commodities other than cotton are subject to the jurisdiction of the industry committee for the Wholesaling, Warehousing and other Distribution Industries.

b. The shelling of nuts, including their cleaning, cracking and packing (but not including shelling when done in a plant engaged in the further processing of nuts into nut butters, vegetable oils, and roasted, salted or sugared nuts, or other candy products).

It should be noted further that the definition of the Industry does not include any of the activities covered by the definition of the Meat, Poultry and Dairy Products Industry, as contained in Administrative Order No. 201 (See Appendix A), nor is it intended to include any operations or activities which are covered by the definition of any industry (except, as previously noted, the Leaf Processing Branch of the Cigar Industry) for which the Administrator has already issued a wage order or appointed an industry committee.

Overlaps

A considerable amount of overlapping is inevitable in defining an industry so closely allied to wholesaling. An establishment may engage in assembling at certain periods of the year and in wholesaling at other periods, or perhaps both during the same workweek, as when a fresh vegetable dealer handles both locally grown vegetables in which he acts as an assembler, and carload shipments in which he acts as a distributor. The bulk of the farm products assemblers who are primarily concentrators of goods, will not, however, be engaged in such mixed functions.

No serious overlap problem exists in regard to the handling of both raw and processed goods, for in most instances there is a rather clear differentiation in the channels of trade.

Exemptions under the Fair Labor Standards Act 1/

Many of the operations performed on the products of this industry are included within the scope of exemptions from the minimum wage and

1/ See Wage and Hour Division Interpretative Bulletin No. 14 for a more extended discussion of the exemptions applicable under Sections 7(c), 13(a)(6), and 13(a)(10) of the Act.

overtime provisions of the Fair Labor Standards Act or from the overtime provisions alone.

Section 13(a)(6) exempts from both the minimum wage and the overtime requirements of the Act any employee engaged in agriculture. Section 3(f) of the Act states:

> "Agriculture" includes farming in all its branches and among other things includes * * * the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities * * * the raising of livestock, bees, fur-bearing animals * * * and any practices * * * performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

It will be noted that the first part of section 3(f) specifically exempts the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities and the raising of livestock, bees and fur-bearing animals. In addition, the second part of the section exempts those operations in this industry performed by a farmer or on a farm as an incidental part of the farming operations of that farmer or on that farm. It should be emphasized that such operations must in fact be subordinate in order to fall within the scope of the exemption. Many of the activities included in the definition of this industry, it will be observed, may be exempt if performed by agricultural employees engaged in ordinary farming operations.

Another important exemption from the minimum wage and overtime provisions of the Act is found in section 13(a)(10) which exempts--

> any individual employed within the area of production (as defined by the Administrator), engaged in handling, packing, storing, ginning, compressing * * * drying, preparing in their raw or natural state * * * of agricultural or horticultural commodities for market * * *.

The Administrator has defined the area of production, insofar as here applicable, to exempt any individual with respect to the operations described in the section--

> (a) if he performs those operations on materials all of which come from farms in the general vicinity of the establishment where he is employed and the number of employees engaged in those operations in that establishment does not exceed ten, or
>
> (b) with respect to dry edible beans, if he is so engaged in an establishment which is a first concentration point for the processing of such beans into standard commercial grades for marketing in their raw or natural state. As used in this subsection (b), "first concentration point" means a place where such beans are first assembled from nearby farms for such processing but shall not include any establishment normally receiving a portion of the beans assembled from other first concentration points.1/

1/ Title 29, Chapter V, Code of Federal Regulations, Part 536.2(a)(b).

This section effectively exempts the employees of many farm assemblers whose operations are similar to those performed on farms and also exempts the employees of most country grain elevators and cotton gins.

Section 7(c) exempts from the overtime provisions of the Act but not from the minimum wage provisions "employees in any place of employment" where their employer is engaged in the ginning and compressing of cotton.1/

Section 7(c) also exempts from the overtime provisions of the Act but not from its minimum wage requirements, during a period or periods not exceeding 14 workweeks in the aggregate in any one calendar year, employees "in any place of employment" where their employer is engaged in the first processing or packing of perishable or seasonal fresh fruits or vegetables.

A similar 14-week exemption is provided by section 7(c) for employees "in any place of employment" where their employer is engaged in the first processing, within the area of production (as defined by the Administrator), 2/ of any agricultural or horticultural commodity during seasonal operations. Among the operations which fall within this exemption are the shelling and picking of nuts, the decorticating of fiber plants, and the hulling of seeds, beans and peas, if performed within the area of production as defined by the Administrator.

If an employer is entitled to a partial exemption under section 7(c), he may select any 14 workweeks in the calendar year. They need not be consecutive. The workweeks he selects, however, must be workweeks in which he is engaged in the exempt operation.

Section 7(b)(3) also provides an exemption for a period or periods of not more than 14 workweeks in the aggregate in any calendar year for any industry found by the Administrator to be of a seasonal nature. This exemption does not relax the minimum wage requirements of the Act and requires that time and one-half shall be paid during the exempt weeks only for hours in excess of 12 in a day or 56 in a week. Under this section of the Act, the Administrator is authorized to find industries to be of a seasonal nature.3/ Some or all of the operations embraced in the following seasonal industries fall within the scope of the definition of the present industry:

1/ This exemption is not limited to any number of weeks in a year but may be taken only during the "active" season when the plant is engaged in the ginning or compressing of cotton.

2/ Title 29, chapter V, Code of Federal Regulations, Part 536.1. The term "area of production" has been defined by the Administrator for purposes of this exemption in substantially the same way as defined for purposes of the 13(a)(10) exemption.

3/ See Title 29, Chapter V, Code of Federal Regulations, Part 526, Regulations Applicable to Industries of a Seasonal Nature.

Handling, packing, storing, preparing in their raw or natural state, first processing or canning of perishable or seasonal fresh fruits or vegetables (R-974).1/
Storing of raw cotton in bales (R-1050).
Storing of grain, soybeans, flax and buckwheat in grain elevators (R-1188).
Receiving of grain, soybeans, flaxseed and buckwheat into grain elevators (R-1413) (R-1455) (R-1456).
Certain branches of the decorative greens industry (R-672).
Storing and packing of nursery stock (R-1180).
Handling, packing, shelling, or other processing or storing of peanuts (R-1220).
Packing of unshelled, paper-shelled or improved varieties of pecans (R-1217).
Drying, packing and storing of unshelled walnuts and filberts (R-1532).
Skinning of wild rabbits and other wild fur-bearing animals (R-1916).
Cleaning and processing of certain seeds (R-463) (R-681) (R-683) (R-755) (R-912).
Receiving of raw shorn fleece wool at primary concentration points and country receiving stations (R-1451).
Certain operations performed on cigar leaf tobacco (R-213).

The total 28-week overtime exemption for employees of fresh fruit and vegetable packing establishments relieves the majority of these plants from most of the obligation of paying time and one-half for overtime. A survey made by the Women's Bureau 2/ showed that of 289 plants packing fresh fruits and vegetables (other than citrus) in 1937, only 47 packed during more than 26 weeks. In many cases, the weeks beyond 28 were non-peak, short weeks in which the hours worked were generally not over 40. The season was, however, longer in citrus packing plants.

Section 13(a)(5) provides that the minimum wage and overtime requirements of the Act shall not apply with respect to any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work and including employment in the loading, unloading, or packing of such products for shipment or in propagating, processing, marketing, freezing, canning, curing, storing, or distributing the above products or by-products thereof.

1/ This exemption provides 14 workweeks of partial overtime exemption in addition to the 14 weeks exemption for unlimited hours provided by section 7(c) for most operations falling within the scope of this seasonal determination.

2/ Published by Wage and Hour Division as "Tables Relating to the Fresh Fruit and Vegetable Packing Industry in Selected States and for Selected Products," May 1940.

The definition of this industry includes within its scope the gathering, packing, assembling or otherwise "preparing for market" of aquatic forms of vegetable life and of aquatic animal life (except those assembled for processing into food for human or animal consumption). The effect of this exemption, however, is to exclude from the benefits of any wage order that may be issued for this industry employees engaged in performing any of the operations described in such section. On the other hand, office and clerical employees would not ordinarily come within the exemption and would be entitled to the benefits of any such wage order since this type of work is not generally within the scope of the section 13(a)(5) exemption.1/

1/ Wage and Hour Division, Interpretative Bulletin No. 12. This bulletin sets forth a detailed analysis of the section 13(a)(5) exemption.

DESCRIPTION OF THE INDUSTRY

The United States Bureau of the Census 1/ reports that approximately 28,000 establishments were primarily engaged in the operations covered by the Fruit and Vegetable Packing and Farm Products Assembling Industry during 1939. 2/ These establishments employed an annual average of almost 185,000 workers, and their sales and receipts 3/ totalled more than two billion dollars. For the convenient presentation of summary statistics, the industry has been subdivided into the following branches, as classified by Census: Assemblers of farm products, cotton compresses, cotton warehouses and cotton ginneries. 4/

Assemblers of Farm Products Branch

Assemblers of farm products, according to the Census, include those establishments primarily engaged in the purchase, or assembly for sale, of farm products, in the farming areas. The assemblers purchase directly from farmers or other local dealers, assemble the merchandise in quantities for economic handling and shipping, and then primarily sell directly to commission men, carlot wholesale merchants, and industrial users. During 1939 there were about 16,000 assembling establishments employing a total of approximately 103,000 workers (average for the year), and selling products valued at almost two billion dollars. (Table 1)

Table 1. Fruit and Vegetable Packing and Farm Products Assembling Industry: Distribution of establishments, sales, and employment, by branch

Branch	Establishments (number)	Sales or receipts (in thousands of dollars)	Employees a/ (average annual number)
Fruit and Vegetable Packing and Farm Products Assembling Industry	28,037	2,012,740	185,294
Assemblers of farm products	16,121	1,978,604	102,923
Cotton ginneries	11,148	b/	66,888 c/
Cotton compresses	315	29,183	13,591
Cotton warehouses	453	4,953	1,892

Source: Bureau of the Census, Wholesale Trade, 1939, Service Establishments, 1939, Cotton Production and Distribution, Season of 1941-42

a/ Includes paid executives of corporations and outside selling employees, but not the proprietors of unincorporated businesses.

b/ No information currently available.

c/ See page .

1/ Bureau of the Census; Wholesale Trade, 1939; Service Establishments, 1939; Cotton Production and Distribution, Season of 1941-42.

2/ It should be noted that the Census classification and data in the report are only approximately co-extensive with this industry definition. Unless otherwise stated, all tables exclude assemblers of fish, livestock (primarily meat animals), dairy products, poultry and poultry products.

3/ Exclusive of cotton ginneries, for which information on receipts is not currently available.

4/ No statistical information is available on the branches of the industry, which are engaged in the gathering and harvesting of non-cultivated agricultural products.

The Census subdivides assemblers into the following groups according to the different types of operations:--independent country buyers, 1/ commission buyers, cooperative marketing associations, cooperative sales agencies, country grain elevators, and packers and shippers. 2/

The independent country buyers of agricultural commodities are one of the largest groups in this branch of the industry. Their function is to forward or consign goods purchased by them, to wholesale receivers or distributors in another and usually a larger market, or perhaps to manufacturers or processors. These assemblers maintained about 3,800 establishments, or more than 23 percent of all establishments in the branch. They employed about 17,500 workers, and had annual sales amounting to about 437 million dollars. (Table 2)

The commission buyers, according to the Census, operate in a manner similar to independent country buyers, except that they act as agents for others, and not for their own account. Their 600 establishments averaged only about 900 employees during 1939. Their sales were about 60 million dollars. 3/

The cooperative marketing associations are formed largely by farmers, for the purpose of disposing of their products at the most advantageous prices. In addition to the actual selling of their products, they grade, pack, store and, in some cases advertise or trade mark the commodities they handle. These associations, in their 1,200 establishments, handle most agricultural products with fresh fruits and vegetables representing the largest sales item. In 1939 they had an employment of 30,000 and total sales of 318 million dollars.

Closely allied to the cooperative marketing associations are the cooperative sales agencies. These agencies include the sales offices and the central marketing associations set up by the agricultural cooperatives to facilitate the sales of the products of the members. Regional and national selling agencies of local cooperatives are included in this category. Since sales agencies are coordinating groups, they maintain fewer establishments than do the cooperative marketing associations. Inclusive of the agencies handling livestock, dairy products, poultry and poultry products, 4/ there were less than

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1/ This operation has been designated by Census as "assemblers of farm products". For the sake of clarity, they will be designated in this report as "independent country buyers".

2/ For a detailed discussion of these categories, see Bureau of the Census, Wholesale Trade, 1939, pp. 34-35.

3/ It is possible that a number of commission buyers will be excluded from this Industry under section b(1) of the definition, and will be subject to the jurisdiction of the industry committee which has just been appointed for the Wholesaling, Warehousing and other Distribution Industries. (See Administrative Order No. 208).

4/ See footnote c/ Table 2.

Table 2. Assemblers of Farm Products Branch: Distribution of establishments, sales and employees, by type of operation, 1939

Type of Operation	Establishments		Employees a/		Sales (in thousands of dollars)	
	Number	Percent	Number	Percent		Percent
Assemblers of farm products b/	16,307	100.0	105,887	100.0	2,299,688	100.0
Independent country buyers	3,791	23.2	17,582	16.6	437,408	19.0
Commission buyers	573	3.5	917	.9	59,095	2.6
Cooperative marketing association	1,235	7.6	30,366	28.7	317,534	13.8
Cooperative sales agencies c/	191	1.2	4,709	4.4	578,939	25.2
Country grain elevators	9,084	55.7	21,135	20.0	694,501	30.2
Independent	3,180	19.5	7,572	7.2	271,154	11.8
Line	4,061	24.9	8,545	8.1	226,917	9.9
Cooperative	1,843	11.3	5,018	4.7	196,430	8.5
Packers and shippers c/	1,433	8.8	31,178	29.4	212,211	9.2

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Annual average. Includes paid executive of corporations and outside selling employees, but not the proprietors of unincorporated businesses.

b/ The data on assemblers of farm products includes the data listed in footnote c/ on the assembling of livestock (primarily meat animals), dairy products, poultry and poultry products, as well as the following data on the assembling of fish and sea food:

Number of establishments	8
Number of employees (average for year)	58
Sales (in thousands of dollars)	907

c/ The combined data for cooperative sales agencies, and packers and shippers includes the following data for livestock (primarily meat animals), dairy products, poultry and poultry products:

Number of establishments	178
Number of employees (average for year)	2,906
Sales (in thousands of dollars)	320,177

200 establishments with at most 4,700 employees and with total sales amounting to a maximum of 580 million dollars.

The country grain elevators include those independent, line or cooperative concerns which purchase and handle grain through warehouses or elevators. This section of the industry maintained about 9,000 establishments, employed about 21,000 people, and sold grain amounting to about 700 million dollars during 1939. 1/ However, since grain elevators generally employ less than 10 persons per establishment, most of their employees are probably exempt from the Fair Labor Standards Act.

The greatest proportion of the workers of the assembling branch of the industry are employed in the packing and shipping establishments. These concerns do production-point assembling, packing, and shipping of fruits and vegetables and other farm products. (This classification excludes those packers and shippers who operate as integral parts of farms.) The establishments, during 1939, numbered about 1,400. The annual average employment was about 31,000 employees, and the annual sales totalled 210 million dollars.

The Census further classifies assembling establishments by "kind of business" as determined by the commodities which they are primarily engaged in handling. The general classes of products handled by assemblers include:--farm products, raw materials; farm products, consumer goods; farm supplies; and groceries and foods (specialty lines). (Table 3 and Appendix Table 1)

Among these assemblers the majority of the establishments handle raw farm materials. During 1939, there were about 12,000 such "farm products - raw materials" establishments, having sales of approximately $1,310,000,000. Their annual average employment was about 38,000 workers, although 48,000 were employed during the peak month. Most of their employees who would be subject to the Fair Labor Standards Act were employed by those of the establishments which operated as independent country buyers. (Appendix Table 1)

The major category, "farm products - consumer goods," is comprised almost solely of some 3,000 fresh fruit and vegetable establishments, which employed 58,000 workers, and had sales of 560 million dollars in 1939. Packers and shippers were the most important of these assemblers although independent country buyers and cooperative marketing associations accounted for a large percentage of the sales of fruits and vegetables.

The bulk of the sales of the farm supplies trade constituted feeds and seeds and were handled primarily by independent country buyers. Annual average employment was about 1,600 workers, with a maximum monthly employment of 1,900 workers.

1/ It should be noted, however, that the "handling, warehousing, and storing of grain when performed in conjunction with milling operations" are covered by the wage order for the Grain Products Industry, which became effective March 1, 1943.

Table 3. Assemblers of Farm Products Branch: Distribution of establishments, sales and employees, by kind of business, 1939

Kind of business	Establishments		Sales		Employees a/			
	Number	Percent	(million dollars)	Percent	Annual average	Percent	Minimum month	Maximum month
Assemblers of farm products	16,121	100.0	1,979	100.0	102,923	100.0	93,126	128,020
Farm products - raw materials	12,358	76.6	1,309	66.0	38,173	37.0	30,789	48,106
Cotton	1,429	8.9	297	15.0	1,711	1.7	1,377	2,426
Grains	9,435	58.4	739	37.2	21,540	20.9	19,585	25,058
Hides, Skins and Furs	320	2.0	14	.7	513	.5	440	692
Horses and mules	136	.8	7	.4	215	.2	161	250
Tobacco (leaf)	285	1.8	133	6.7	9,489	9.2	4,037	17,061
Wool and Mohair	287	1.8	50	2.5	658	.6	477	1,053
All other	466	2.9	69	3.5	4,047	3.9	3,409	5,103
Farm products - consumer goods	2,992	18.6	570	28.7	58,321	56.7	49,996	67,370
Fruits and Vegetables (fresh)	1,726	10.7	179	9.0	16,113	15.7	12,149	19,591
Fresh fruits only	1,204	7.5	384	19.3	41,758	40.6	37,418	50,368
All other	62	.4	7	.4	450	.4	341	658
Farm supplies	482	3.0	35	1.8	1,589	1.6	1,358	1,926
Feeds	164	1.0	11	.6	504	.5	453	537
Seeds	170	1.1	13	.6	595	.6	395	859
All other	148	.9	11	.6	490	.5	450	540
Groceries and foods (specialty lines)	239	1.5	62	3.1	4,626	4.5	1,678	10,409
All other products	50	.3	3	.4	214	.2	200	227

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Employees include paid executives of corporations and outside selling employees, but not the proprietors of unincorporated businesses.

Groceries and foods (specialty lines), which consist of nuts for the major part, were handled mainly by the independent country buyers although the cooperative marketing associations and the packers and shippers buy, handle and sell a considerable proportion of these commodities. There were a total of about 210 such assembling establishments, with a sales value of $62,000,000 during 1939. Employment was highly seasonal, with an annual average of 4,600 workers, but a maximum monthly employment of 10,400.

Cotton Ginneries Branch

The Bureau of the Census reports that there were about 12,800 ginneries in the United States during 1941. 1/ Of this total more than 11,000 were actively engaged in ginning, with the remaining plants maintaining sufficient equipment to begin production whenever the demand warranted. Total cotton ginned during 1941 was about 10,500,000 running bales, or an average of about 950 bales per active establishment. It has been estimated that there are an average of about six employees per ginnery. This estimate indicates that there were roughly 67,000 workers in this branch during 1941. Seasonal variation in the number of employees is very slight. Cotton ginneries, in general, require the same number of employees for a peak or a slack season, though daily or weekly hours of work may fluctuate markedly.

Cotton Compresses Branch

The Census classifies as "cotton compresses" those establishments which were primarily engaged in the compressing of cotton bales to facilitate shipping and storage. There were more than 300 such plants during 1939, with annual receipts which totalled about 29 million dollars, and annual average employment of about 13,600 workers. Employment reached a peak of 22,000 workers during October 1939.

Table 4. Cotton Compresses Branch: Data, 1939

Establishments, number	315
Receipts (thousands of dollars)	29,183
Employees	
Annual average number	13,591
Maximum month	22,205
Minimum month	9,172

Source: Bureau of the Census, Service Establishments, 1939

Cotton Warehouses Branch

This classification includes those establishments which are primarily engaged in the storage of raw cotton. It does not include

1/ Bureau of the Census, Cotton Production and Distribution, Season of 1941-42.

the storage of cotton yarn or piece goods, however. During 1939 there were 450 cotton warehouses with receipts of almost five million dollars. Average employment was about 1,900 workers, although 2,600 were employed during the peak month.

Table 5. Cotton Warehouses Branch: Data, 1939

Establishments (number)	453
Receipts (in thousands of dollars)	4,953
Employees (average annual number)	1,892
Minimum month	1,441
Maximum month	2,625

Source: Bureau of the Census, Wholesale Trade, 1939

Location of the Industry

Assemblers of Farm Products Branch

The most recent statistics on the location of the farm products assembling branch of the Industry were published in the reports of the Census of Wholesale Trade for 1939. There is reason to believe that, although there have been increases of production as a result of the war, the geographic location of the branch has not changed substantially since 1939. 1/

The only statistics available by regions for those assemblers who are covered exclusively by the present industry definition are the commodity sales data (see Table 6). All other Census statistics on location include the assemblers of commodities excluded from this definition, e.g., livestock (meat animals), dairy products, and poultry and poultry products. 2/ This limitation applies to the Census data on the geographic distribution of workers (Table 7). However, it is possible to use these employment data for the purposes of the present report since 75 percent of the workers described in the statistics were employed in establishments covered in whole or in part by the definition of the Fruit and Vegetable Packing and Farm Products Assembling Industry.

The data indicated clearly that although the industry was located in all regions in the United States, there were marked concentrations of operation in the main farming areas. According to Table 7, the greatest concentration of sales and employees occurred in the North Central area. However, this apparent concentration results in large

1/ For further information, see Appendix Table 2.

2/ The assembling of these products are, with minor exceptions, within the scope of the Meat, Poultry and Dairy Products Industry, as defined in Administrative Order No. 201.

part from the following:

1. Almost 80 percent of the grain in the United States is assembled in the North Central area. As has been explained previously the majority of the employees of these grain assembling establishments may be exempt from the Fair Labor Standards Act.

2. The employee data include the assembling of products covered by the definition of the Meat, Poultry and Dairy Products Industry. Almost 60 percent of the workers of that industry were employed in the North Central area. 1/

Thus with respect to the actual scope of the Fruit and Vegetable Packing and Farm Products Assembling Industry, the proportion of employees and sales in the North Central area is less than is shown in Tables 6 and 7, and the proportion in the other areas is greater.

Keeping these qualifications in mind, it should be noted that the greatest number of workers (29 percent) of the branch were employed in the Pacific Coast states on the assembling principally of fresh fruits and vegetables.

The South Atlantic area accounted for 24 percent of the employment of the industry. Tobacco 2/ and fresh fruits and vegetables were the principal products handled. Florida employed the majority of workers in this area.

The West South Central area required about 7 percent of the employees of the branch. It was in this area that about 50 percent of the assembled cotton was sold. There was a particular concentration of employment in the agricultural state of Texas.

The Mountain area employed about 4 percent of the workers and contributed about 5 percent of the assemblers' sales. Grains and fruits and vegetables were the leading products in this area.

The East South Central area required only 3 percent of the employment of the branch, although it produced almost 30 percent of the sales of assembled cotton. This is a direct result of the fact that cotton assembling requires less workers per sales value than the assembling of other commodities.

1/ Wage and Hour and Public Contracts Divisions, Memorandum to Industry Committee No. 61 for the Meat, Poultry and Dairy Products Industry, June 1943, page 6.

2/ All statistics shown in the various tables of this report for leaf tobacco include both cigar and non-cigar types. The data, therefore, considerably overemphasize the coverage of the present Industry with respect to leaf tobacco.

(13,023)

Table 6. Assemblers of Farm Products Branch: Distribution of Commodity sales, by geographic division, 1939.

Geographic division	Total	Raw cotton	Grains	Tobacco (leaf)	Miscellaneous farm products - raw materials a/	Fresh fruits and vegetables	Farm supplies	Groceries and foods (specialty lines)	All other products
			(Sales in thousands of dollars)						
United States	1,865,425	265,474	619,647	132,180	144,928	512,766	86,444	50,667	53,319
New England	39,484	—	100	2,285	18,309	17,301	19	91	1,379
Middle Atlantic	51,422	—	3,313	1,452	6,653	34,239	1,662	—	4,103
East North Central	292,720	—	198,584	1,898	24,088	30,151	26,955	821	10,223
West North Central	371,322	—	290,179	—	15,332	19,075	32,031	1,930	12,775
South Atlantic	280,759	56,051	2,320	109,819	20,372	83,903	1,740	3,408	3,146
East South Central	114,759	75,772	5,413	16,726	5,259	7,923	1,510	628	1,528
West South Central	257,010	132,954	50,585	—	33,510	26,988	6,249	3,811	2,913
Mountain	92,613	697	40,246	—	13,036	28,170	8,107	—	2,357
Pacific	365,336	—	28,907	—	8,369	265,016	8,171	39,978	14,895
			(Percent of sales)						
United States	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New England	2.1	—	*	1.7	12.6	3.4	*	.2	2.6
Middle Atlantic	2.8	—	.5	1.1	4.6	6.7	1.9	—	7.7
East North Central	15.7	—	32.0	1.4	16.6	5.9	31.2	1.6	19.2
West North Central	19.8	—	46.8	—	10.6	3.7	37.1	3.8	24.0
South Atlantic	15.1	21.1	.4	83.1	14.1	16.4	2.0	6.7	5.9
East South Central	6.2	28.5	.9	12.7	3.6	1.5	1.7	1.2	2.9
West South Central	13.8	50.1	8.2	—	23.1	5.3	7.2	7.5	5.5
Mountain	5.0	.3	6.5	—	9.0	5.5	9.4	—	4.4
Pacific	19.5	—	4.7	—	5.8	51.6	9.5	79.0	27.8

Source: Bureau of the Census, Wholesale Trade, 1939

* Less than five-hundredths of one percent.

a/ Includes hides, skins and raw furs; horses and mules; wool and mohair; and miscellaneous farm products raw materials.

(13,023)

Table 7. Assemblers of Farm Products Branch: Distribution of employment and commodity sales, by geographic division, 1939

Geographic Divisions	Employees a/		Sales b/	
	Number	Percent	in thousands of dollars	Percent
United States	137,041	100.0	1,865,425	100.0
New England	2,841	2.1	39,484	2.1
Middle Atlantic	4,931	3.6	51,422	2.8
East North Central	15,590	11.4	292,720	15.7
West North Central	20,801	15.2	371,322	19.8
South Atlantic	33,480	24.4	280,759	15.1
East South Central	3,691	2.7	114,759	6.2
West South Central	9,976	7.3	257,010	13.8
Mountain	5,851	4.3	92,613	5.0
Pacific	39,880	29.0	365,336	19.5

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Annual average. Includes paid executives of corporations and outside selling employees, but not the proprietors of unincorporated businesses.
Includes employees engaged in the assembling of fish, livestock (primarily meat animals), dairy products, poultry and poultry products.

b/ Includes only those sales (95 percent of the sales of the branch) which the Census analyzed by commodities and by geographic divisions.
Does not include the sales of assemblers of fish, livestock (primarily meat animals), dairy products, poultry and poultry products.

The remaining areas, namely New England and the Middle Atlantic, were of minor importance in the farm products assembling branch.

Cotton Ginneries Branch

Since the cotton is ginned in the same region in which it is grown, the West South Central area is the region of the greatest concentration of cotton ginning (Tables 8 and 9). About 48 percent of the nation's ginning occurred in this area in 1939. The East South Central area ginned about 26 percent of the total; the South Atlantic states, almost 16 percent; and the rest of the country, about 10 percent.

Cotton Compresses Branch

The cotton compresses also are located in the cotton growing areas.

The greatest concentration of establishments, receipts and employees occurred in the West South Central states in 1941. (Table 10) Texas, the most important cotton state in this area, maintained almost 35 percent of all United States cotton compressing employment.

The East South Central area employed an annual average of about 3,600 employees or about 27 percent of all the workers in the industry. Mississippi workers comprised 15 percent of United States total; Tennessee workers constitute about 10 percent. Other areas accounted for about 15 percent of the total employment.

Table 8. Cotton Ginneries Branch: Distribution of ginneries and cotton production, by state, 1941

State	Number of ginneries			Cotton ginned a/		Cotton production b/		Average bales ginned (number) c/
	Total	Active	Idle	Thousand running bales	Percent of total	Thousand running bales	Percent of total	
United States	12,835	11,148	1,687	10,495	100.0	10,495	100.0	941
West North Central								
Missouri	195	189	6	471	4.4	475	4.5	2,492
South Atlantic	3,655	2,804	851	1,653	15.2	1,649	15.7	590
Florida	47	34	13	15	0.1	18	.2	438
Georgia	1,374	1,033	241	637	5.9	631	6.0	563
North Carolina	981	785	196	569	5.2	562	5.3	725
South Carolina	1,165	796	369	408	3.8	410	3.9	513
Virginia	88	56	32	24	0.2	28	.3	429
East South Central	3,032	2,749	283	2,736	26.2	2,740	26.1	995
Alabama	1,222	1,064	158	774	7.3	777	7.4	728
Mississippi	1,376	1,267	109	1,388	13.3	1,387	13.2	1,095
Tennessee	434	418	16	574	5.6	576	5.5	1,373
West South Central	5,720	5,191	529	4,942	47.7	4,929	47.0	952
Arkansas	1,196	1,105	91	1,381	13.4	1,374	13.1	1,250
Louisiana	647	575	72	311	2.9	310	3.0	540
Oklahoma	727	650	77	692	6.6	698	6.0	1,065
Texas	3,150	2,861	289	2,558	24.8	2,547	24.3	894
Mountain	107	96	11	274	2.6	281	2.7	2,854
Arizona	61	55	6	178	1.7	177	1.7	3,242
New Mexico	46	41	5	96	0.9	104	1.0	2,343
Pacific								
California	110	105	5	396	3.7	397	3.8	3,767
All other states	16	14	2	22	0.3	25	.2	1,614

Source: U. S. Department of Commerce, Bureau of the Census, Cotton Production and Distribution, Season 1941-42, Bulletin 179

a/ Exclusive of linters.

b/ Includes 240 running bales produced in Kansas.

c/ Average number of running bales ginned, per active establishment.

(13,023)

Table 9. Cotton Ginneries Branch: Distribution of cotton production and cotton ginning, by region, 1941

Region	Cotton Production		Cotton Ginned a/	
	(thousand running bales)	Percent	(thousand running bales)	Percent
United States	10,495	100.0	10,495	100.0
West North Central	475	4.5	471	4.4
South Atlantic	1,649	15.7	1,653	15.2
East South Central	2,740	26.1	2,736	26.2
West South Central	4,929	47.0	4,942	47.7
Mountain	281	2.7	274	2.6
Pacific	397	3.8	396	3.7
Other states	-	-	-	-

Source: U. S. Department of Commerce, Bureau of the Census, Cotton - Production and Distribution, Season 1941-42, Bulletin 179.

a/ Exclusive of linters.

(13,023)

Table 10. Cotton Compressed Branch: Geographic distribution of establishments, receipts, employees, 1939

State	Establishments		Receipts		Employees (annual average)	
	Number	Percent	(in thousands of dollars)	Percent	Number	Percent
United States	315	100.0	29,183	100.0	13,591	100.0
West North Central						
Missouri	8	2.5	639	2.2	312	2.3
South Atlantic	19	6.0	1,254	4.3	680	5.0
Georgia	14	4.4	962	3.3	464	3.4
South Carolina	5	1.6	292	1.0	216	1.6
East South Central	81	25.7	8,083	27.7	3,610	26.6
Alabama	12	3.8	842	2.9	426	3.1
Mississippi	56	17.8	4,437	15.2	2,178	16.0
Tennessee	13	4.1	2,804	9.6	1,006	7.4
West South Central	191	60.7	16,826	57.7	8,060	59.2
Arkansas	41	13.0	4,359	14.9	1,767	13.0
Louisiana	26	8.3	2,421	8.3	1,195	8.8
Oklahoma	22	7.0	1,002	3.4	477	3.5
Texas	102	32.4	9,044	31.1	4,621	33.9
Pacific						
California	6	1.9	1,408	4.8	469	3.5
Other States	10	3.2	973	3.3	460	3.4

Source: Bureau of the Census, Service Establishments, 1939

a/ Includes paid executives of corporations, but not the proprietors of unincorporated businesses.

Cotton Warehouses Branch

Establishments primarily engaged in storing cotton were located in only about 10 states in 1939. (Table 11) The greatest concentration of cotton warehouses occurred in the South Atlantic region. Fifty-six percent of the establishments, 37 percent of the receipts and 50 percent of employment were located in this area. The three states which contributed to this concentration were North Carolina, South Carolina and more particularly Georgia.

Comparison of Location of Producers and Handlers of Cotton

Table 12 summarizes the location of cotton production, ginning, compressing, warehousing and assembling. All of these activities, with the possible exception of a small amount of warehousing, are conducted in the cotton producing areas.

Channels of Distribution

Assemblers of Farm Products Branch

The products of the farm products assembling branch normally pass through a number of further stages of distribution before they reach the ultimate consumer. The statistics presented in Wholesale Trade for 1939 indicates that the channel of sale after the assembling stage depends primarily upon the commodity handled. In general, the greatest percentage of sales, 54 percent, were made to wholesalers. Industrial users accounted for another 23 percent, and the remaining sales were distributed almost equally among retailers, exporters, and household consumers. (Table 13)

Sales of "farm products-raw materials" followed the general pattern, with 44 percent going to wholesalers and 32 percent to industrial users. Fifty-six percent of the grain sales were made to terminal elevators and other wholesalers, 21 percent to industrial users, and 15 percent to household consumers.

Almost all of the direct sales of the assembling branch to foreign markets were made by assemblers of cotton and tobacco. Forty-three percent of all assembled tobacco leaf sales were made to export intermediaries or foreign buyers. Nearly all the remainder (49 percent), were made to industrial users for further processing.

Of the 460 million dollars of sales of "farm products-consumer goods", almost 360 million dollars went to the large terminal markets and the other wholesalers. (Appendix Table 4.) Wholesalers purchased 80 percent of the wares of those assemblers who dealt exclusively in fresh fruits. Of the assemblers who handled both fruits and vegetables, the wholesalers bought 74 percent of their produce and the retailers bought 20 percent.

Forty-one percent of the "farm supplies" were sold to wholesalers, 33 percent to retailers and 14 percent to household consumers.

The bulk (79 percent) of assembled "groceries and foods" were sold to wholesalers for further distribution.

Table 11. Cotton Warehouses Branch: Geographic distribution of establishments, receipts and employees, 1939

State	Establishments		Receipts		Employees a/, (annual average)	
	Number	Percent	(in thousands of dollars)	Percent	Number	Percent
United States	453	100.0	4,953	100.0	1,892	100.0
South Atlantic	253	55.9	1,856	37.5	953	50.3
North Carolina	26	5.7	427	8.6	262	13.8
South Carolina	73	16.1	561	11.3	334	17.7
Georgia	154	34.1	868	17.6	357	18.8
East South Central	110	24.3	1,955	39.5	488	25.8
Alabama	97	21.4	1,739	35.1	399	21.1
Mississippi	13	2.9	216	4.4	89	4.7
West South Central	69	15.2	897	18.1	344	18.2
Texas	69	15.2	897	18.1	344	18.2
Others	21	4.6	245	4.9	107	5.7

Source: Bureau of the Census: Service Establishments, 1939

a/ Includes paid executives of corporations but not the proprietors of unincorporated businesses.

* * * * * * * * * * * * *

Table 12. Geographic distribution of cotton production, ginning, compressing, warehousing and assembling a/

Region	Cotton production (percent of bales)	Cotton ginning (percent of bales)	Cotton compressing (percent of receipts)	Cotton warehousing (value of receipts)	Cotton assembling (percent of sales value)
United States	100.0	100.0	100.0	100.0	100.0
West North Central	4.5	4.4	2.2	-	-
South Atlantic	15.7	15.2	4.3	37.5	21.1
East South Central	26.1	26.2	27.7	39.5	28.5
West South Central	47.0	47.7	57.7	18.1	50.1
Mountain	2.7	2.6	-	-	.3
Pacific	3.8	3.7	4.8	-	-
Undistributed by region	-	-	3.3	4.9	-

Source: Bureau of the Census: Service Establishments, 1939; Wholesale Trade, 1939; Cotton Production and Distribution, Season of 1941-42

a/ All data are for 1939, except the data for cotton ginning, which are for 1941.

Table 13. Assemblers of Farm Products Branch: Distribution of sales by classes of customers, 1939

Types of operation and kind of business	Sales made to				
	Retailers for resale	Industrial users	Wholesalers	Household consumers	a/ Exporters
	(Percent of analyzed sales)				
Total	7.8	22.9	54.4	7.2	7.5
Farm products - raw materials	4.6	32.1	44.1	9.4	9.6
Cotton	1.7	47.8	30.8	1.0	18.7
Grains	6.1	20.6	56.2	15.4	1.7
Hides, skins and raw furs	3.9	32.9	62.8	.3	.1
Horses and mules	54.6	b/	24.4	12.1	b/
Tobacco (leaf)	b/	48.6	7.7	b/	43.2
Wool and mohair	2.6	62.4	33.5	b/	b/
All other	7.4	35.7	47.4	7.4	2.1
Farm products - consumer goods	13.7	3.0	77.6	2.3	3.3
Fresh fruits and vegetables	20.2	2.0	73.9	3.1	.8
Fresh fruits only	9.8	3.6	80.1	1.6	4.9
All other	24.1	4.9	56.0	15.0	-
Farm supplies	33.3	10.1	41.2	13.8	-
Feed	31.7	18.7	29.1	20.5	-
Seeds	23.0	b/	65.4	7.6	b/
All other	47.4	15.2	21.7	15.7	-
Groceries and foods (specialty lines) except fish and sea foods	8.4	6.2	78.8	.5	6.1
All other products	15.8	58.2	23.7	b/	b/

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes sales to export intermediaries and export sales to buyers in foreign countries.

b/ Withheld to avoid disclosure of individual company data.

CURRENT ECONOMIC DEVELOPMENTS

Available statistics do not directly show current changes in the Industry. The best indication of the growth of the Industry may be found in an index of the physical volume of the farm marketings, 1/ upon which the Industry is economically dependent. The other indexes, such as that of sales and farm income, do not accurately reflect changes in physical activity, since increases or decreases in marketings are often partially or totally offset by changes in price.

The physical quantity of agricultural products marketed has been relatively stable since 1929, in comparison with the great changes in the income derived from this marketing (Table 14). With the exception of the period from 1934 to 1936, when wide fluctuations occurred as a result of the drought, 2/ there was comparatively little change and the year-to-year changes over the entire period 1929 to 1941 did not vary by more than 5 percent. Cash farm income and prices, on the other hand, showed year-to-year changes of more than 30 percent during that period.

From 1941 to 1942, however, both physical quantity of marketing and cash farm income increased significantly; the former showed a rise of 11 percent and the latter a rise of 37 percent. This gain in physical volume was the largest year-to-year gain on record, and was the result of both the increased demand for agricultural products and unusually favorable weather conditions.

The physical volume of each commodity group under the Industry definition was considerably larger in 1942 than in 1941 (Table 15). Farmers marketed 3 percent more food grains and 10 percent more feed grains in 1942 than in 1941. The marketing of cotton also showed large gains over 1941 - an increase of 30 percent. This rise was in large part a result of large crops in 1942. The record high levels reached by the marketing of fruits and nuts in 1941 and 1942 is even more significant in view of the fact that such marketings tend toward a two year cycle, with high marketings in any year being followed by low marketings in the next year. The marketings of vegetables have shown a rising trend, with a 9 percent increase occurring from 1941 to 1942.

Total farm marketings from January through May of 1943 were sharply higher than in the corresponding months of the previous year. This increase reflected the continuation of the sale of the large 1942 crop.

Outlook for Farm Marketings

The Department of Agriculture has set farm production goals for the 1943-44 season at a level nearly 5 percent higher than the record production of 1942.3/ The ability to attain this high level will depend upon such factors as weather conditions, labor supply and the quantity and quality of farm equipment. In view of the exceptionally strong demand for

1/ L. J. Paradiso and M. Kaufman, U. S. Department of Commerce, and C. M. Purves, U. S. Department of Agriculture.

2/ Survey of current Business, April 1943.

3/ Department of Agriculture, Agricultural Situation, March 1943.

Table 14. Farm Marketings: Indexes of physical volume and cash income, 1929-1942

(1935 - 39 = 100)

Year	Physical quantity of farm marketings a/	Cash income from farm marketings a/
1929	101	142
1930	98	113
1931	99	80
1932	96	60
1933	96	67
1934	95	79
1935	88	89
1936	96	105
1937	101	111
1938	105	96
1939	109	99
1940	112	105
1941	115	141
1942	128	193

Source: U. S. Department of Agriculture, and U. S. Department of Commerce

a/ Includes livestock (primarily meat animals), dairy products, poultry and poultry products.

Table 15. Indexes of physical volume of farm marketings, adjusted for seasonal variations; 1939-1942

(1935-39 = 100)

Year and month	Total farm marketings a/	Total crops b/	Crops			
			Food grains	Fruits and nuts	Vegetables including truck crops	Cotton and cottonseed
1939	109	111	118	114	103	92
1940	112	109	109	106	108	90
1941 c/	115	111	129	119	112	77
1942 c/	128	123	134	122	122	101
1942						
January	126	122	206	117	120	82
February	120	112	122	117	117	83
March	123	115	115	118	119	97
April	120	107	74	122	116	92
May	122	114	112	120	117	87
June	124	102	51	122	113	87 d/
July	129	121	134	116	116	89 d/
August	127	117	103	127	132	85
September	132	130	118	127	133	96
October	130	128	116	125	127	107
November	141	152	286	127	128	122
December	141	144	172	113	132	146
1943						
January	127	127				
February	129	121				
March	140	137				
April	136	128				
May c/	139	130				

Source: L. J. Paradiso and M. Kaufman, U. S. Dept. of Commerce, and C. M. Purves, Dept. of Agriculture, Physical Volume of Farm Marketings

a/ Includes livestock (mainly meat animals), dairy products, poultry and poultry products.

b/ Includes feed grain and hay, oil-bearing crops, and tobacco in addition to those shown separately.

c/ Preliminary.

d/ Estimate based on very small quantity of marketings.

agricultural commodities, there is little possibility that price will be a deterring factor in the maintenance of maximum production. Furthermore, the legislation of October 1942 authorized price supports at not less than 90 percent of parity on all commodities for which the Secretary of Agriculture had requested increased production. The Act also authorized loans at 90 percent of parity for cotton, corn, wheat, rice, tobacco and peanuts. For wheat and corn, however, the President is given discretion to hold the loan rate at 85 percent where this is necessary to prevent increases in prices of feed for livestock and poultry.

According to recent reports of the U. S. Department of Agriculture, the outlook for farm production is not quite as favorable now as it was at the same time last year. Although both the Departments of Agriculture and Commerce had previously estimated that total farm marketings this year would be somewhat higher than in 1942, their estimates were based on an assumption of average weather during this year. At the present writing, a reduction of about 11 percent is expected in the commercial vegetable crop of this spring as a result of the damage effected by the frost. Total fruit production also is expected to be smaller than in 1942. Deciduous fruit production should be approximately 10 percent lower, while production of citrus fruits should be as large as the record crop of last year. Apple production will probably maintain its 1942 level. Feed grain prospects for 1943 are less favorable than in 1942. Overall production of cotton and tobacco is fairly satisfactory, although more long staple cotton is needed.

Prices and Price Control

In general, the prices of the commodities handled by the Fruit and Vegetable Packing and Farm Products Assembling Industry were not subject to the control of the Price Administrator 1/ until October 1942. Consequently, the heavily increased demand for agricultural commodities for military, lend-lease and civilian consumption was able to effect a rise in the wholesale prices of farm products, the index increasing from the prewar 1939 level of 107 to 179 in October 1942 (Table 16). Net farm income increased about 118 percent 2/ during a similar period.

While there were no ceilings on the wholesale prices of farm products, gross margins for those branches of the industry which operated as a service or on a contractual basis were frozen at their March 1942 level.

The Act of October 2, 1942 amending the Emergency Price Control Act established that the lowest level at which a maximum price for agricultural commodities could be set was the parity price or the highest price received by producers between January 1 and September 15, 1942 (whichever was the higher). On October 3, under Executive Order 9250, the President ordered that the prices of agricultural commodities should be stabilized, so far as practicable, on the basis of levels which existed on September 15, 1942 and in compliance with the Act of October 2, 1942. Thus, the prices of all the agricultural commodities which were bought or sold by the assemblers and packers became subject to administrative control. The price ceilings which were subsequently established on specific agricultural

1/ Emergency Price Control Act of 1942, Section III.

2/ Office of Price Administration, Farm Prices, Farm Costs and Farm Production, February 1943.

Table 16. Indexes of wholesale prices, 1939-1943

August 1939 = 100

Year and month	All commodities a/	Farm products		
		All farm products b/	Grains	Other farm products c/
1939	102.8	107.0	113.8	104.2
1940	104.8	111.0	132.0	110.0
1941	116.4	135.1	149.3	129.5
1942	131.7	173.6	180.4	169.1
1942				
January	128.0	165.2	186.2	163.7
February	128.9	166.1	185.0	162.1
March	130.1	168.5	182.1	162.9
April	131.6	171.3	177.7	164.7
May	131.7	171.1	179.0	164.7
June	131.5	171.1	172.4	167.2
July	131.6	172.6	173.0	168.9
August	132.3	173.9	174.4	166.2
September	132.8	176.7	181.7	170.0
October	133.3	178.7	177.7	173.7
November	133.7	181.1	180.2	179.7
December	134.7	186.6	195.5	183.7
1943				
January	135.9	191.8	208.3	185.5
February	136.7	195.1	210.9	187.4
March	137.8	201.3	217.9	194.9

Source: Bureau of Labor Statistics, Wholesale Price Indexes

a/ Prices of both manufactured and farm commodities.

b/ Includes the following categories: "Grains", "Livestock and Poultry", and "Other farm products".

c/ Includes, in addition to products of the Fruit and Vegetable Packing and Farm Products Assembling Industry, eggs and milk.

commodities have not completely restricted the upward movement of prices for agricultural products as a whole. From October 1942 to March 1942 the price index of farm products rose from 179 to 201. This increase in prices was somewhat larger than the increase which would normally occur simply as a result of seasonal variation.

Operating Margins 1/

While the wholesale prices of farm products were continuing to rise almost without restriction, prices paid to farmers were rising as well. However, as Table 17 shows, wholesale prices have kept pace with the rapid increases in prices paid to the farmers. From an August 1939 level of 100, farm prices rose in May 1943 to 212 and wholesale prices rose to 206.

Table 17. Index of prices received by farmers and wholesalers of farm products, compared with index of wages of assemblers of farm products

Year and month	Wholesale prices (August 1939-100)	Prices paid to farmers (August 1939-100)	Assemblers average hourly earnings a/ (June 1939-100)
1939	107	105	100
1940	111	111	104
1941	135	138	120
1942	174	178	127
1943			
January	192	210	146
February	195	206	
March	201	208	
April	204	211	
May	206	212	

Source: Department of Agriculture and Bureau of Labor Statistics

a/ Average hourly earnings data were not available for periods exactly comparable to those used for wholesale prices and farm prices. The figures used were:- for 1939-June 1939; for 1940-December 1939; for 1941-December 1942; for 1942-June 1942; and January 1943-October through January 1943.

The parallel character of these increases indicates that the percentage markup by wholesalers of farm products, has remained relatively constant since the outbreak of the European war. The absolute (dollar and cents)

1/ Attention is specifically drawn to the fact that the following discussion is based on all farm products, including livestock, poultry, milk and eggs and applies therefore only in general terms to the products covered by the definition of the Fruit and Vegetable Industry and Farm Products Assembling Industry.

markup, on the other hand, has increased considerably. This increase in margin, coupled with the aforementioned increase in volume, would indicate that assemblers and wholesalers of farm products have been operating under conditions unusually favorable for maintaining and increasing profits. Profits, of course, do not necessarily increase in direct proportion to the increase in margins. Current increases in certain operating costs, such as labor costs and costs of equipment, have tended to offset the profits resulting from the expansion in margins. In the farm products assembling branch of the Industry, for example, there has been a 46 percent increase in average hourly earnings from June 1939 to January 1943.

WAGE DATA

Trend of Hourly Earnings and Hours Worked per Week

At the request of the Wage and Hour Division, the Bureau of Labor Statistics prepared a special tabulation on average hourly earnings and average hours worked per week in the farm products assembling branch of the Industry from the voluntary reports which they receive monthly. (Table 18).

Table 18. Assemblers of Farm Products Branch: Average wages and hours, June 1939-January 1942

Period	Average hourly earnings (cents)	Average weekly hours	Average weekly wage (dollars)
June 1939	46.5	38.6	17.95
December 1939	48.3	39.4	19.03
Year 1939	49.2	37.8	18.59
December 1941	55.7	39.9	22.22
June 1942	58.8	40.2	23.64
October 1942 through January 1943	67.8	40.0	26.33

Source: Bureau of Labor Statistics (a special tabulation based on voluntary returns, which in June 1942 covered 649 establishments with 19,854 employees).

These data show that there has been a continual upward trend in hourly earnings since June 1939, the first date for which the statistics were prepared. The average of hourly earnings in June 1939 was 46.5 cents, and in December of that year the average was 49.2 cents. By June 1942 wages had increased to almost 59 cents an hour. The latest data for the industry show that there has been a further increase in wages during the past year, and that the average wage for the months of October, November, December 1941, and January 1942, was 67.8 cents an hour. 1/

There has been a very slight upward trend in the average number of hours worked per week during the past four years. In June 1939 the monthly average of the number of hours worked per week was 38.6. By December 1941, the average had reached 39.9 hours. The latest statistics reveal that the average number of hours worked in the industry was about 40, or an increase of about an hour and a half over the past four years. This increase in hours is probably due to the current increase in production and shortage of labor.

1/ The fact that, typically, it is the larger establishments which report to the Bureau of Labor Statistics does not effect the representativeness of the data in this instance to the extent that it might in others. A large proportion of the small establishments which are not well represented in the data are undoubtedly within the "area of production" (as defined by the Administrator) and hence are exempt from the wage and hour provisions of the Act. The data are, therefore, more fully representative of the employees who are covered by the Act than might otherwise be the case.

Since farm laborers constitute part of the working force available to the packing and assembling plants, the trend of farm labor rates offers an indication of the trend of packing and assembling rates. Daily rates without board for farm workers increased by 86 percent from January 1941 to June 1943 (Table 19). The highest increase, about 129 percent, was reported in the Pacific Coast area, a result of the competition for labor by higher paying war industries. The smallest increase, that of 61 percent occurred in the South Atlantic area.

Wage Structure

The most recent statistics on the levels of wages among the various types of establishments composing the farm products assembling branch were published in "Wholesale Trade, 1939," a report of the Bureau of the Census. From this report can be computed the average wages paid to the different classes of employees during the week ending October 21, 1939.

The data revealed that the average weekly wages paid to "other employees" (which classification embraces the group normally considered as "wage earners" and comprises about 79 percent of the full-time workers in the branch) was about $17.43. Since this figure very closely approximates the average weekly wage of $17.95, which was presented by the Bureau of Labor Statistics for a similar period, 1/ and since it appears that the category of "other employees" are more representative of the workers who would be affected by any increase in the present minimum required under the Fair Labor Standards Act, the indexes of average weekly wages used in Tables 20 and 21 are based on the "other employees" category.

Table 20 reveals that the highest wages in the branch in 1939 were paid by the cooperative marketing associations and the cooperative sales agencies, which employed 33 percent of the workers in the branch. The average wages currently being paid by these two cooperative groups are estimated at about 74 and 79 cents an hour, respectively. 2/ The next largest type of operation from the viewpoint of employment was the packers and shippers. Wages in this branch were slightly less than average. At current wage rates the estimated average for this branch is about 64 cents an hour. Lowest wages in the industry would be paid by the independent country buyers. If 1939 differentials were maintained these independent buyers would be paying an average wage of about 58 cents an hour.

Estimates of current average hourly earnings were also prepared by kind of business. (Table 21). For example, "farm products-consumer goods" (composed mainly of fruits and vegetables) was the group which employed the largest percentage (57 percent) of workers in the branch during 1939. During this period this group paid slightly higher than the average wage; the current average wage is estimated at approximately 71 cents an hour.

Labor Supply

Many branches of the Industry require large numbers of workers for

1/ See Table 18. B. L. S. data refer to "wage earners" and are for the month June, 1939.

2/ The method of estimating current average hourly earnings is described in footnote c/, Table 20.

Table 19. Farm Wage Rates by Geographic Division: Daily rates without board for selected periods from January 1941 to June 1943

(data as of first of each month)

Geographic Division	January 1941	April 1941	July 1941	October 1941	January 1942	April 1942	July 1942	October 1942	January 1943	April 1943	June 1943
					Wage rates						
United States	$1.59	$1.70	$1.98	$2.08	$2.12	$2.10	$2.45	$2.76	$2.83	$2.88	$2.96
New England	2.67	2.85	3.22	3.39	3.43	3.60	3.76	4.06	4.19	4.33	4.66
Middle Atlantic	2.41	2.53	2.93	3.09	3.02	3.19	3.48	3.88	3.75	3.89	4.01
East North Central	2.05	2.27	2.79	2.89	2.73	2.91	3.20	3.67	3.53	3.69	3.84
West North Central	1.86	2.09	2.69	2.90	2.53	2.81	3.29	4.33	3.65	3.76	3.98
South Atlantic	1.27	1.28	1.40	1.54	1.56	1.56	1.64	1.82	2.01	2.06	2.04
East South Central	1.07	1.11	1.16	1.33	1.36	1.37	1.42	1.75	1.79	1.80	1.89
West South Central	1.27	1.30	1.55	1.72	1.78	1.72	1.92	2.30	2.43	2.40	2.37
Mountain	2.22	2.38	2.82	2.96	2.79	3.04	3.53	4.34	3.91	4.13	4.47
Pacific	2.74	2.94	3.35	3.73	3.64	3.88	4.56	5.60	5.65	5.92	6.26
					Index of wage rates (January 1941=100.0)						
United States	100.0	106.9	124.5	130.8	133.3	132.1	154.1	173.6	178.0	181.1	186.2
New England	100.0	106.7	120.6	127.0	128.5	134.8	140.8	152.1	156.9	162.2	174.5
Middle Atlantic	100.0	105.0	121.7	128.2	125.3	132.4	144.4	170.0	155.6	161.4	166.4
East North Central	100.0	110.7	136.1	141.0	133.2	142.0	156.1	179.0	172.2	180.0	187.3
West North Central	100.0	112.4	144.6	155.9	136.0	151.1	176.9	232.8	196.2	202.2	214.0
South Atlantic	100.0	100.8	110.2	121.3	122.8	122.8	129.1	143.3	158.3	162.2	160.6
East South Central	100.0	103.7	108.4	124.3	127.1	126.0	132.7	163.6	167.3	166.2	176.6
West South Central	100.0	102.4	122.1	135.4	140.2	135.4	151.2	181.1	191.3	189.0	186.6
Mountain	100.0	107.2	127.0	133.3	125.7	136.9	159.0	195.5	176.1	186.0	201.4
Pacific	100.0	107.3	121.5	136.1	132.9	141.6	166.4	204.4	206.2	216.1	228.5

Source: United States Department of Agriculture, Bureau of Agricultural Economics, Farm Labor Report

Table 20. Assemblers of Farm Products Branch: a/ Estimated average hourly earnings of "other employees" by type of operation (Estimate for October, 1942 - January, 1943)

Type of Operations	Index of average weekly wages b/	Estimate of current average hourly earnings c/
Assemblers of farm products	100.0	67.8
Independent country buyers	85.0	57.6
Commission buyers	86.6	58.7
Cooperative marketing assns.	108.8	73.9
Cooperative sales agencies	115.8	78.5
Country grain elevators	104.1	70.6
Packers and shippers	94.6	64.1

a/ Includes assembling of livestock, dairy products, poultry and poultry products.

b/ Index of wages received by full time "other employees" for week ending October 21, 1939. Source: Bureau of the Census, Wholesale Trade, 1939.

c/ Current average hourly earnings assumes the average wage presented by the Bureau of Labor Statistics, for the period October 1942 to January 1943, 67.8 cents an hour, at the differentials presented in the first column.

Table 21. Assemblers of Farm Products Branch: Estimated average hourly earnings of "other employees", by kinds of business

(Estimate for October 1942 - January 1943)

Kinds of Business	Total employment 1939 (percent)	Index of average weekly wages a/	Estimate of current average hourly earnings b/
Assembers of farm products	100.0	100.3	68.0
Farm products - raw materials	37.0	92.0	62.4
Cotton	1.7	76.0	51.5
Grains	20.9	106.2	72.0
Hides, skins and raw furs	.5	108.1	73.3
Tobacco (leaf)	9.2	80.4	54.5
Wool and mohair	.6	106.9	72.5
All other	3.9	77.9	52.8
Farm products - consumer goods	56.7	104.0	70.5
Fruits and vegetables	15.7	97.1	65.8
Fresh fruits only	40.6	106.5	72.2
All other	.4	71.4	48.4
Farm supplies	1.6	93.0	63.1
Groceries and foods (specialty lines)	4.5	91.3	61.9
All other products	.2	87.8	59.5

Source: Compilation by the Wage and Hour Division from data of Bureau of the Census, Wholesale Trade, 1939, and the Bureau of Labor Statistics

a/ Index of wages received by full-time "other employees" for week ending October 21, 1939.

b/ Current average hourly earnings assumes the average wage presented by the Bureau of Labor Statistics, for the period October 1942 to January 1943, 67.8 cents an hour (See Table 18), at the differentials presented in the second column.

relatively short periods of intense activity. 1/ Long hours and speed are necessary to prevent the loss of perishable products. Year-round employment is limited to that small percentage of the laboring force which is engaged as skeleton maintenance crews during slack seasons. Since the industry cannot sustain the large labor force for the full year, migratory workers have been used in many areas of the United States.

Heightened military and industrial activity have created labor shortages in the Industry as a whole. In recognition of this shortage, and in recognition of the need for continued production, the War Manpower Commission has declared the following agricultural services to be essential activities (when workers engage in them on a year-round basis), and subject to the privileges and requirements of essential activities:

a. seed processing
b. initial processing services, such as

ginning
compressing
threshing
cleaning
shelling
curing
farm production assembly services

The designation of "being engaged in an essential activity" prevents the worker from transferring to a non-essential industry or to another essential industry at a higher wage, without prior permission of the War Manpower Commission. Selective Service Boards are currently not classifying for military service many such essential workers.

In addition, the War Manpower Commission has announced that in order to aid in this year's harvest, it will institute a program which will include both (1) continuous full-time employment of mobile groups of experienced farm workers to be transported from one area to another as crops mature, and (2) expansion of the United States Employment Service farm placement machinery. 2/ Present plans (which are proceeding with much success) call for the use of previously untapped sources of labor, such as school youth, industrial workers who may be available out of working hours and during vacation and holidays, agricultural workers who may be rotated, housewives and other unemployed, as well as the nationals of Mexico and the Bahama Islands.

State Minimum Wage Laws

Five states have minimum wage orders which apply in whole or in part to the Fruit and Vegetable Packing and Farm Products Assembling Industry and which prescribe wage rates higher than 30 cents an hour. These rates are shown in Table 22; in each case the minimum rate shown applies only to women and minors.

1/ In the case of fruit and vegetable packing, a survey conducted by the Women's Bureau (U. S. Department of Labor) showed that the average plant operated only 14 weeks in 1939. In the apple packing and warehousing establishments as well as in celery packing plants the average operating period was about 14 weeks as compared with six weeks in tomato packing plants and 26 weeks in lettuce packing plants.

2/ Canning Trade, December 7, 1942.

Table 22. Fruit and Vegetable Packing and Farm Products Assembling Industry: Minimum hourly rates for experienced workers, under state orders

State	Occupation covered and effective date	Minimum hourly rates for experienced workers
California	Grading, sorting, cleaning, wrapping, packing, packaging of fruits and vegetables August 27, 1943	50¢
	Grading, sorting, cleaning, cracking, shelling, packaging of nuts August 27, 1943	50¢
Minnesota	Any occupation in town with population of 50,000 or more April 1, 1939	36¢
Nevada	Any private employment May 28, 1937	37½¢
Oregon	Fruit and vegetable packing May 1, 1942	40¢
	Grading, packing, cracking and shelling of nuts. August 1, 1942	40¢
Washington	Fruit and vegetable packing September 7, 1942	40¢

ANALYSIS OF COSTS

Among the factors bearing directly on economic and competitive conditions in the Industry, are operating costs and transportation costs. These two factors are discussed in the following sections of the report.

It should be borne in mind, however, that the relation of the costs of producers in different regions, and of different types of producers within the same region, has competitive significance only insofar as the commodities handled are in fairly direct competition. To some extent, branding and advertising have reduced competition between otherwise similar commodities. For example, within limited price differentials the consumer is governed by factors other than price in choosing between California oranges and Florida oranges. Furthermore, commodities from different areas may never be in active competition with one another, if they are harvested and assembled in different seasons. Long Island potatoes and Florida potatoes, for instance, do not compete during the same season within the New York market. However, where agricultural commodities are similar, where they may be substituted for one another and where these commodities appear in the same market at the same time, their production and transportation costs have an important effect on competitive conditions.

Payroll and Operating Expenses

Assemblers of Farm Products Branch

The Bureau of the Census has prepared statistics on the operating expenses of the Farm Products Assembling Industry. Operating expenses as defined by the Census include "overhead expenses", payroll and all the other expenses involved in the normal operations of the business. They do not include the purchase price of the commodities handled, nor do they include the compensation of proprietors of unincorporated businesses.

Table 23 reveals that operating expenses in 1939 amounted to only about 8 percent of the sales value of the commodities handled by assemblers. This ratio varied from 3 percent for cooperative sales agencies and commission buyers to 26 percent for packers and shippers. Variation by region was somewhat less (Table 24). The ratio of operating expenses to sales value ranged from 5 percent in the central states to 15 percent in the Pacific states. The payroll amounted to about 46 percent of operating expenses with very little variation among classifications. The ratio of payrolls to sales, consequently, varies very closely with that of operating expenses to sales; it constituted one percent for commission buyers and cooperative sales agencies and 12 percent for packers and shippers; it ranged from 2 percent in the central area to about 8 percent in the Pacific area.

Cotton Compresses Branch

There is no published information on the entire operating expenses in the cotton compressing branch of the industry. Statistics in the Census of Service Establishments show, however, that in 1939 payrolls required one-third of the value of the receipts of this branch (Table 25). There was very little geographic variation in this relationship. In the Pacific area payrolls were equal to about 26 percent of receipts and in the West South Central area 35 percent.

Table 23. Assemblers of Farm Products Branch a/: Relationships between sales, operating expenses and payrolls by type of operation, 1939

Type of Operation	Sales	Operating expenses (in thousands of dollars)	Payroll b/	Operating expenses as percent of sales	Payroll as percent of sales	Payroll as percent of operating expenses
Assemblers (mainly farm products)	3,088,571	251,068	114,582	8.1	3.7	45.6
Independent country buyers	792,159	50,432	20,079	6.4	2.5	39.8
Commission buyers	121,704	3,941	1,453	3.2	1.2	36.9
Cooperative marketing associations	611,029	70,048	34,747	11.5	5.7	49.6
Cooperative sales agencies	578,939	17,572	7,996	3.0	1.4	45.5
Country grain elevators	694,501	42,680	20,146	6.1	2.9	47.2
Packers and shippers	241,675	62,494	28,459	25.9	11.8	45.5

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes assembling of livestock, (primarily meat animals), dairy products, poultry and poultry products.

b/ Includes compensation of paid executives of corporations and outside selling employees, but not the compensation of proprietors of unincorporated businesses.

Table 24. Assemblers of Farm Products Branch: [a/] Relationships between sales, operating expenses and payrolls, by regions 1939

Region	Sales (in thousands of dollars)	Operating expenses	Payroll [b/]	Operating expenses as percent of sales	Payroll as percent of sales	Payroll as percent of operating expenses
United States	3,038,571	251,068	114,582	8.1	3.7	45.6
New England	83,971	7,438	3,188	8.9	3.8	42.9
Middle Atlantic	190,019	15,365	5,985	8.1	3.1	39.0
East North Central	601,868	32,096	14,580	5.3	2.4	45.4
West North Central	762,796	40,570	18,172	5.3	2.4	44.8
South Atlantic	351,943	47,534	21,791	13.5	6.2	45.8
East South Central	160,697	7,283	2,685	4.5	1.7	36.9
West South Central	335,276	16,696	6,817	5.0	2.0	40.8
Mountain	132,217	11,700	5,197	8.8	3.9	44.4
Pacific	469,779	72,386	36,167	15.4	7.7	50.0

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes assembling of livestock, (primarily meat animals,) dairy products, poultry and poultry products.

b/ Includes compensation of paid executives of corporations and outside selling employees but not the compensation of proprietors of unincorporated businesses.

Table 25. Cotton Compresses Branch: Relationship of payrolls to receipts, by state, 1939

State	Receipts (in thousands of dollars)	Payroll [a/] (in thousands of dollars)	Payroll as percent of receipts
United States	29,183	9,677	33.2
West North Central	639	196	30.7
Missouri	639	196	30.7
South Atlantic	1,254	427	34.1
Georgia	962	298	31.0
South Carolina	292	129	44.2
East South Central	8,083	2,319	28.7
Alabama	842	298	35.4
Mississippi	4,437	1,294	29.2
Tennessee	2,804	727	25.9
West South Central	16,826	5,921	35.2
Arkansas	4,359	1,128	25.9
Louisiana	2,421	1,048	43.3
Oklahoma	1,002	303	30.2
Texas	9,044	3,442	38.1
Pacific	1,408	372	26.4
California	1,408	372	26.4
Not classified by regions	973	442	45.4

Source: Bureau of the Census, Service Establishments, 1939

a/ Includes compensation of paid executives of corporations, and outisde selling employees but not of proprietors of unincorporated businesses.

Cotton Warehouses Branch

As in the case of cotton compresses, the only statistical breakdown of the costs of production for this branch is the figures on the relationship between the payrolls and receipts of cotton warehouses. 1/ For the country as a whole the ratio of payrolls to the value of receipts amounted to 27 percent in 1939 (Table 26) In the East South Central area where the largest percentage of cotton warehousing receipts occur, the ratio was considerably lower than the national average (17 percent), while in the South Atlantic region it was appreciably higher (33.3 percent).

Transportation Costs

Some indication of the relative magnitude of transportation costs for many of the agricultural products handled by the Industry may be obtained from Table 27. This table shows the ratio of freight costs to the sales value of agricultural products at their destination. It should be noted that Table 27 is based exclusively on costs of shipment by rail. However, a considerable proportion of farm produce is consumed locally and not shipped by rail. In such cases shipping costs are relatively small. Furthermore, the industry makes extensive use of other less expensive forms of transportation, such as barges and trucks. Accordingly, the actual proportion of sales value represented by transportation is undoubtedly less than the ratios shown.

However, Table 27 does give an indication of the limitations on competition, where rail transport is needed for shipment of certain commodities from region to region. When rail costs are substantial, interregional competition tends to be severely limited. The increasing use of trucks has further accentuated the competitive advantage of the agricultural producers located near the market. Mileage rates for these producers have been reduced through the competition between trucks and railways for the short haul traffic. On the other hand, rail rates have remained relatively constant for products which travel long distances and can be shipped only by rail.

However, interregional competition between agricultural producers does exist when specialized farming areas produce quantities which cannot be absorbed by local consumption.

EFFECTS OF INCREASING THE MINIMUM WAGE

The Divisions' information on the distribution of wage rates within the Fruit and Vegetable Packing and Farm Products Assembling Industry is limited to the average hourly earnings data presented in Table 18. There are no data available showing the current frequency distribution of individual employees' earnings within the industry. Accordingly, the exact number or proportion of the workers who might be affected by an increase in the minimum wage cannot be computed. Nevertheless, the relationship prevailing in various other industries between average hourly earnings and percentage of workers earning less than a given figure, 2/ provides some basis upon which to approximate the results of a higher rate for those branches of the industry for which average hourly earnings data are available.

1/ Bureau of the Census, Service Establishments, 1939.
2/ This correlation, on the basis of the highest minimum wage rate (40 cents an hour) that may be established under the Fair Labor Standards Act is shown in Appendix Table 6.

Table 26. Cotton Warehouses Branch: Relationship of payrolls to receipts, by state, 1939

State	Receipts	Payroll a/	Payroll as percent of receipts
	(in thousands of dollars)		
United States	4,953	1,337	27.0
South Atlantic	1,856	618	33.3
North Carolina	427	200	46.8
South Carolina	561	162	28.9
Georgia	868	256	29.5
East South Central	1,955	330	16.9
Alabama	1,739	279	16.0
Mississippi	216	51	23.6
West South Central	897	258	28.8
Texas	897	258	28.8
Not classified by regions	245	131	53.5

Source: Bureau of the Census, Service Establishments, 1939

a/ Includes compensation of paid executives of corporation and outside selling employees, but not the compensation of proprietors of unincorporated businesses.

Table 27. Ratio of freight revenue to the value of specific agricultural commodities at their destination, 1939

Product	Freight revenue as a percent of value of product at destination
Apples	29.17
Cotton (in bales)	3.78
Fruits, fresh, domestic	39.58
Grapes	62.41
Potatoes, other than sweet	32.15
Tobacco (leaf)	2.03
Tomatoes	50.26
Vegetables, fresh	38.36
Wheat	12.03

Source: Interstate Commerce Commission: Freight Revenue and Value of Commodities Transported in Class I, Steam Railways in the United States, Calendar Year 1939, Washington, D. C. October 1940

APPENDIX A

Administrative Order No. 201 issued June 16, 1943 and appointing Industry Committee No. 61 defines the Meat, Poultry and Dairy Products Industry as:

"The assembling, processing, and marketing of meat animals and meat animal products, poultry and poultry products and dairy products.

a. It includes, but without limitation, any product or by-product obtained from livestock, poultry, wild fowl and game (including meats, milk, and eggs) and any other product which is derived from any other form of animal life (such as fish, reptiles, and frogs), and which is assembled, processed or marketed for animal or human consumption.

b. Provided, however, that the definition shall not include:

(1) Storing performed by an independent warehouse

(2) Any product included in the Leather Industry; Drug, Medicine, and Toilet Preparations Industry (as defined in the wage orders for these industries); or in the Canned Fruits and Vegetables and Related Products Industry; and the Chemical, Petroleum and Coal Products, and Allied Manufacturing Industries (as defined in Administrative Orders Nos. 182 and 193 respectively)."

The definition of the Meat, Poultry, and Dairy Products Industry covers all occupations in the industry which are necessary to the production of the articles or the operations specified therein including clerical, maintenance, shipping and selling occupations, provided, however, the definition does not cover such clerical, maintenance, shipping and selling occupations (a) when carried on in an establishment or department exclusively engaged in wholesaling or selling, the greater part of the sales of which establishment or department are sales of products which are not included in this industry; and (b) when carried on exclusively in connection with the sale of articles not included in this industry; and provided, further, that where an employee covered by this definition is employed during the same workweek at two or more different minimum rates of pay, he shall be paid the highest of such rates for such workweek, unless records concerning his employment are kept by his employer in accordance with applicable regulations of the Wage and Hour Division.

Appendix Table 1. Assemblers of Farm Products Branch: Kind of business by the type of operation, 1939

Kind of Business	Establishments	Employees (annual average, full and part-time)	Sales (thousand dollars)
Total	16,307	105,887	2,299,688
Farm products - raw materials	12,492	39,567	1,491,608
Cotton	1,427	1,541	254,524
Independent country buyers	1,144	963	172,419
Commission buyers	231	127	31,745
Cooperative marketing associations	52	451	50,360
Grains	9,628	22,790	754,170
Independent country buyers	332	793	16,990
Commission buyers	33	32	3,320
Cooperative marketing associations	179	830	39,359
Country elevators	9,084	21,135	694,501
Independent	3,180	7,572	271,154
Line	4,061	8,545	226,917
Cooperative	1,843	5,018	196,430
Hides, Skins and Furs	316	455	11,068
Independent country buyers	295	448	10,682
Commission buyers	21	7	386
Horses and Mules	135	214	6,392
Independent country buyers	120	174	4,683
Commission buyers	15	40	1,709
Tobacco (leaf)	253	8,203	124,045
Independent country buyers	211	7,850	115,271
Commission buyers	22	213	2,672
Cooperative marketing associations	20	140	6,102
Wool and Mohair	203	415	24,748
Independent country buyers	170	378	20,294
Commission buyers	33	37	4,454
Others	530 a/	5,949 a/	316,661 a/
Independent country buyers	253	2,605	29,288
Commission buyers	28	34	1,738
Cooperative marketing associations	134	627	25,789
Cooperative sales agencies	44 a/	1,102 a/	245,477 a/
Packers and shippers	71 a/	1,581 a/	14,369 a/

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes the following data on livestock (primarily meat animals):

Number of establishments	49
Sales (in thousands of dollars)	172,484
Employees (average annual number)	855

Appendix Table 1. Assemblers of Farm Products Branch: Kind of business by the type of operation, 1939 (continued)

Kind of Business	Establishments	Employees (annual average, full and part-time)	Sales (thousand dollars)
Farm products - consumer goods	3,108	60,144	714,274
Fruits and Vegetables	1,028	4,672	79,940
Independent country buyers	699	2,112	35,667
Commission buyers	110	280	7,973
Cooperative marketing associations	219	2,280	36,300
Fresh fruits only	592	24,547	133,922
Independent country buyers	82	329	5,679
Commission buyers	23	32	2,047
Cooperative marketing associations	487	24,186	126,196
Others	1,488 b/	30,925 b/	500,412 b/
Independent country buyers	29	115	1,100
Commission buyers	3	3	171
Cooperative marketing associations	13	104	2,900
Cooperative sales agencies	139 b/	2,397 b/	308,531 b/
Packers and shippers	1,304 b/	28,306 b/	187,710 b/
Farm supplies	399	1,181	26,754
Independent country buyers	314	780	16,064
Commission buyers	36	64	1,976
Cooperative marketing associations	49	337	8,714
Groceries and foods (specialty lines)	231	3,456	37,255
Independent country buyers	117	972	8,143
Cooperative marketing associations	71	1,299	20,211
Packers and shippers	43	1,185	8,901
All others	77	1,539	29,797
Independent country buyers	25	63	1,128
Commission buyers	18	48	904
Cooperative marketing associations	11	112	1,603
Cooperative sales agencies	8	1,210	24,931
Packers and shippers	15	106	1,231

Source: Bureau of the Census, Wholesale Trade, 1939

b/ Includes the following data on dairy products, poultry and poultry products:

Number of establishments	129
Sales (in thousands of dollars)	147,693
Employees (average annual number)	2,051

Appendix Table 2. Assemblers of Farm Products Branch: Comparison of geographic distribution of assemblers of farm products sales and farm marketing income

State	Assemblers' sales value	Cash income from farm marketing		State	Assemblers' sales value	Cash income from farm marketing	
	(percent)				(percent)		
	1939	1939	1942		1939	1939	1942
United States	100.0	100.0	100.0				
New England	2.7	3.3	2.4	South Atlantic (cont'd)			
Maine	.4	.7	.5	West Virginia	.1	.5	.4
New Hampshire	.1	.3	.2	North Carolina	3.0	2.8	2.8
Vermont	.4	.5	.4	South Carolina	1.2	1.3	1.1
Massachusetts	1.3	1.0	.7	Georgia	1.5	1.7	1.5
Rhode Island	.1	.1	.1	Florida	2.6	1.6	1.3
Connecticut	.4	.7	.5				
Middle Atlantic	6.2	8.6	6.7	East South Central	5.2	6.0	6.4
New York	3.7	4.0	3.2	Kentucky	1.1	1.7	1.7
New Jersey	.6	1.3	1.0	Tennessee	1.5	1.5	1.6
Pennsylvania	1.9	3.3	2.5	Alabama	.7	1.1	1.2
				Mississippi	1.9	1.7	1.9
East North Central	19.5	19.5	19.6	West South Central	10.9	11.1	12.1
Ohio	4.1	3.9	3.7	Arkansas	.8	1.7	2.0
Indiana	3.0	3.3	3.5	Louisiana	2.3	1.4	1.2
Illinois	8.1	6.2	6.2	Oklahoma	2.1	2.1	2.4
Michigan	2.2	2.7	2.5	Texas	5.7	5.9	6.5
Wisconsin	2.1	3.4	3.7				
				Mountain	4.3	6.4	6.3
West North Central	24.6	23.7	26.1	Montana	.8	1.0	1.2
Minnesota	6.2	4.2	4.5	Idaho	1.1	1.1	1.1
Iowa	6.3	7.5	7.9	Wyoming	.1	.6	.6
Missouri	2.4	3.2	3.5	Colorado	1.1	1.6	1.5
North Dakota	2.1	1.4	2.0	New Mexico	.2	.6	.6
South Dakota	1.5	1.3	1.6	Arizona	.3	.7	.7
Nebraska	2.4	2.9	3.0	Utah	.7	.2	.1
Kansas	3.7	3.2	3.6	Nevada	-	.2	.1
South Atlantic	11.4	10.5	9.6	Pacific	15.2	10.9	10.8
Delaware	.2	.2	.3	Washington	2.2	1.9	2.0
Maryland	1.0	.9	.8	Oregon	1.0	1.3	1.3
Virginia	1.8	1.5	1.4	California	12.0	7.7	7.5

Source: Bureau of the Census, Census of Wholesalers, 1939; Bureau of Agricultural Economics, Agricultural Statistics.

Appendix Table 3. Assemblers of Farm Products Branch a/: Distribution of establishments, sales and employees, by state, 1939

State	Establishments		Employees b/		Sales	
	Number	Percent	Annual average number	Percent	In thousands of dollars	Percent
United States, total	29,122	100.0	137,041	100.0	3,088,571	100.0
New England	435	1.5	2,841	2.1	83,971	2.7
Maine	201	.7	783	.6	12,180	.4
New Hampshire	23	.1	94	.1	2,980	.1
Vermont	75	.3	447	.3	11,362	.4
Massachusetts	94	.3	1,195	.9	41,338	1.3
Rhode Island	11	-	106	.1	3,615	.1
Connecticut	31	.1	216	.1	12,496	.4
Middle Atlantic	853	3.0	4,931	3.6	190,019	6.2
New York	427	1.5	3,067	2.3	113,965	3.7
New Jersey	113	.4	876	.6	18,381	.6
Pennsylvania	313	1.1	988	.7	57,673	1.9
East North Central	5,603	19.2	15,590	11.4	601,868	19.5
Ohio	1,176	4.0	3,308	2.4	125,367	4.1
Indiana	1,033	3.5	2,616	1.9	91,681	3.0
Illinois	1,949	6.8	4,178	3.1	251,683	8.1
Michigan	766	2.6	3,871	2.8	69,201	2.2
Wisconsin	679	2.3	1,617	1.2	63,936	2.1
West North Central	11,488	39.3	30,801	15.2	762,796	24.6
Minnesota	1,921	6.6	4,160	3.1	192,313	6.2
Iowa	2,147	7.4	4,447	3.3	198,183	6.3
Missouri	1,079	3.7	2,603	1.9	74,467	2.4
North Dakota	1,645	5.6	2,209	1.6	63,850	2.1
South Dakota	1,058	3.6	1,548	1.1	45,712	1.5
Nebraska	1,462	5.0	2,232	1.6	74,679	2.4
Kansas	2,176	7.4	3,602	2.6	113,592	3.7
South Atlantic	2,317	8.0	33,480	24.4	351,948	11.4
Delaware	57	.2	232	.2	7,470	.2
Maryland	291	1.0	3,101	2.3	29,557	1.0
District of Columbia	3	-	20	-	688	-
Virginia	360	1.2	6,719	4.9	55,670	1.8
West Virginia	69	.3	132	.1	3,430	.1
North Carolina	325	1.1	5,873	4.3	91,217	3.0
South Carolina	313	1.1	678	.5	38,562	1.2
Georgia	489	1.7	1,791	1.3	45,286	1.5
Florida	410	1.4	14,934	10.8	80,068	2.6

Source: Bureau of Census, Wholesale Trade, 1939

a/ Also includes assemblers of fish, livestock, (primarily meat animals) dairy products, poultry and poultry products.

b/ Includes paid executives of corporations and outside selling employees, but not the proprietors of unincorporated businesses.

Appendix Table 3. Assemblers of Farm Products Branch a/: Distribution of establishments, sales and employees by state, 1939 (continued)

State	Establishments		Employees b/		Sales	
	Number	Percent	Annual average number	Percent	In thousands of dollars	Percent
East South Central	1,400	4.9	3,691	2.7	160,697	5.2
Kentucky	350	1.2	1,147	.9	33,437	1.1
Tennessee	465	1.6	948	.7	46,914	1.5
Alabama	279	1.0	723	.5	21,148	.7
Mississippi	306	1.1	873	.6	59,198	1.9
West South Central	3,800	13.0	9,976	7.3	335,276	10.9
Arkansas	369	1.3	447	.3	24,929	.8
Louisiana	110	.4	897	.7	72,445	2.3
Oklahoma	1,315	4.5	1,654	1.2	63,349	2.1
Texas	2,006	6.8	6,978	5.1	174,553	5.7
Mountain	1,634	5.6	5,851	4.3	132,217	4.3
Montana	499	1.7	648	.5	25,160	.8
Idaho	387	1.3	2,224	1.6	33,734	1.1
Wyoming	55	.2	111	.1	4,138	.1
Colorado	423	1.5	1,304	1.0	33,187	1.1
New Mexico	48	.2	169	.1	4,978	.2
Arizona	43	.1	820	.6	8,257	.3
Utah	172	.6	537	.4	21,772	.7
Nevada	7	-	38	-	991	-
Pacific	1,592	5.5	39,880	29.0	469,779	15.2
Washington	486	1.7	5,058	3.7	66,743	2.2
Oregon	191	.7	1,927	1.4	30,617	1.0
California	915	3.1	32,895	23.9	372,419	12.0

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes assemblers of fish, livestock, (primarily meat animals) dairy products, poultry and poultry products.

b/ Includes paid executives of corporations and outside selling employees, but not the proprietors of unincorporated businesses.

Appendix Table 4. Assemblers of Farm Products Branch: Distribution of sales by class of customers, 1939

Kind of business	Number of establishments	Total sales analyzed	Sales made to				
			Retailers for resale	Industrial users	Wholesalers	Household consumers	Exporters a/
			(Thousands of dollars)				
Total	16,121	1,691,111	131,856	387,808	919,284	122,126	127,666
Farm products - raw materials	12,358	1,137,156	52,617	365,493	501,700	106,622	108,929
Cotton	1,429	264,883	4,396	126,572	81,714	2,714	49,487
Grains	9,435	641,229	38,946	132,412	360,153	98,777	10,941
Hides, skins and raw furs	320	10,371	405	3,409	6,513	27	17
Horses and mules	136	6,029	3,292	b/	1,471	728	b/
Tobacco leaf	285	109,367	b/	53,128	8,440	b/	47,264
Wool and mohair	287	46,465	1,215	28,982	15,546	b/	b/
All other	466	58,812	4,363	20,990	27,863	4,376	1,220
Farm products - consumer goods	2,992	459,863	63,098	14,005	356,838	10,728	15,194
Fresh fruits and vegetables	1,726	164,982	33,387	3,288	121,921	5,173	1,213
Fresh fruits only	1,204	289,104	28,316	10,436	231,683	4,688	13,981
All other	62	5,777	1,395	281	3,234	867	-
Farm supplies	482	32,289	10,749	3,257	13,308	4,452	-
Feed	164	8,887	2,818	1,662	2,589	1,818	-
Seeds	170	12,922	2,966	b/	8,446	987	b/
All other	148	10,480	4,965	1,595	2,273	1,647	-
Groceries and foods (specialty lines) except fish and sea foods	239	59,486	5,026	3,705	46,888	324	3,543
All other products	50	2,317	366	1,348	550	b/	b/

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Includes sales to export intermediaries and export sales to buyers in foreign countries.

b/ Withheld to avoid disclosure of individual company data.

Appendix Table 5. Assemblers of Farm Products Branch a/: Payrolls, operating expenses and sales, by state, 1939

State	Sales (in thousands of dollars)	Operating expenses (in thousands of dollars)	Operating expenses as percent of sales	Payroll b/ (in thousands of dollars)
United States	3,088,571	251,068	8.1	114,582
New England	83,971	7,438	8.9	3,188
Maine	12,180	1,837	15.1	627
New Hampshire	2,980	296	9.9	115
Vermont	11,362	1,395	12.3	511
Massachusetts	41,338	3,085	7.5	1,550
Rhode Island	3,615	254	7.0	119
Connecticut	12,496	571	4.6	266
Middle Atlantic	190,019	15,365	8.1	5,985
New York	113,965	10,422	9.1	4,001
New Jersey	18,381	2,033	11.1	863
Pennsylvania	57,673	2,910	5.0	1,121
East North Central	601,868	32,096	5.3	14,580
Ohio	125,367	6,941	5.5	3,258
Indiana	91,681	5,316	5.8	2,465
Illinois	251,683	9,897	3.9	4,465
Michigan	69,201	6,117	8.8	2,926
Wisconsin	63,936	3,825	6.0	1,466
West North Central	762,796	40,570	5.3	18,172
Minnesota	192,313	9,597	5.0	4,111
Iowa	198,183	9,200	4.6	3,992
Missouri	74,467	4,361	5.9	1,982
North Dakota	63,850	4,583	7.2	1,962
South Dakota	45,712	2,864	6.3	1,319
Nebraska	74,679	3,893	5.2	1,872
Kansas	113,592	6,072	5.3	2,934
South Atlantic	351,948	47,534	13.5	21,791
Delaware	7,470	456	6.1	168
Maryland	29,557	2,925	9.9	1,553
District of Columbia	688	74	10.8	30
Virginia	55,670	8,091	14.5	4,253
West Virginia	3,430	196	5.7	77
North Carolina	91,217	8,288	9.1	4,257
South Carolina	38,562	1,247	3.2	426
Georgia	45,286	2,285	5.0	965
Florida	80,068	23,972	29.9	10,062

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Also includes assemblers of livestock, (primarily meat animals) dairy products, poultry and poultry products.
b/ Includes compensation of paid executives of corporations, and outside selling employees but not the compensation of proprietors of unincorporated businesses.

Appendix Table 5. Assemblers of Farm Products Branch a/: Payrolls, operating expenses and sales, by state, 1939 (continued)

State	Sales (in thousands of dollars)	Operating expenses (in thousands of dollars)	Operating expenses as percent of sales	Payroll b/ (in thousands of dollars)
East South Central	160,697	7,283	4.5	2,685
Kentucky	33,437	2,567	7.7	972
Tennessee	46,914	2,123	4.5	689
Alabama	21,148	1,175	5.6	477
Mississippi	59,198	1,418	2.4	547
West South Central	335,276	16,696	5.0	6,817
Arkansas	24,929	984	3.9	337
Louisiana	72,445	1,635	2.3	863
Oklahoma	63,349	2,663	4.2	1,224
Texas	174,553	11,414	6.5	4,393
Mountain	132,217	11,700	8.8	5,197
Montana	25,160	1,737	6.9	758
Idaho	33,734	3,727	11.0	1,683
Wyoming	4,138	229	5.5	85
Colorado	33,187	2,485	7.5	1,078
New Mexico	4,978	359	7.2	168
Arizona	8,257	1,976	23.9	820
Utah	21,772	1,072	4.9	541
Nevada	991	115	11.6	64
Pacific	469,779	72,386	15.4	36,167
Washington	66,743	10,590	15.9	4,476
Oregon	30,617	3,392	11.1	1,679
California	372,419	58,404	15.7	30,012

Source: Bureau of the Census, Wholesale Trade, 1939

a/ Also includes assemblers of livestock, (primarily meat animals) dairy products, poultry and poultry products.
b/ Includes compensation of paid executives of corporations and outside selling employees but not the compensation of proprietors of unincorporated businesses.

Relation between average hourly earnings and percentage of employees earning less than 40 cents an hour in industries for which wage surveys have been conducted by the Department of Labor since October 24, 1939, the effective date of the 30-cent minimum, showing the estimated direct percentage increase in wage bill required to raise all employees to 40 cents an hour.

Average hourly earnings (cents)	Date of survey	Industry or branch and average hourly earnings interval	Percentage of employees earning less than 40 cents an hour	Estimated direct percentage increase in wage bills required to raise all employees to 40 cents an hour
		30.0 - 34.9 cents		
33.3	1940-41	Independent tobacco dealers	92.2	25.5
34.2	1939-40	Veneer basket mills	87.5	20.2
34.3	October,1941	Raw cane sugar	87.3	22.3
		35.0 - 39.9		
37.2	February,1941	Rice cleaning and polishing	80.6	20.3
36.6	1939-40	Cooperage stock	76.6	12.1
37.3	1939-40	Veneer mills	72.0	14.9
38.6	November,1941	Fresh water pearl buttons and buckles	71.1	11.0
39.9	1939-40	Hardwood flooring	66.6	11.4
		40.0 - 44.9		
41.3	March, 1940	Swiss hand loom embroideries	65.4	8.8
40.0	July, 1941 a/	Fabric and fabric and leather work gloves	61.8	8.5
40.3	1939-40	Hardwood dimension stock	61.1	10.8
41.2	Fall, 1940 a/	Seamless hosiery	61.1	7.5
44.5	April,Sept.,1941	Coal and wood stoves, etc.	59.9	8.8
42.5	1939-40	Wooden boxes	58.7	10.5
44.8	1939-40	Surfacing mills	58.2	10.6
44.4	February,1940	Costume jewelry (medium and low priced)	54.4	8.9
40.8	Feb.,Mar.,1940	Lamp shades	53.9	8.7
43.4	July, 1942	Pens and pencils, n.e.c.	53.5	10.4
43.9	July, 1941 b/	Seamless-fingered knitted dress gloves	51.3	4.1
42.4	Spring,1940	Finished wood handles	49.9	8.2
44.8	Spring,1940	Wood turnings and shapes	48.3	6.4
42.3	Nov.,Dec.,1940	Cigars	48.2	6.5
44.4	May, 1941 b/	Suspenders, garters, and armbands	44.9	4.1
44.6	May, 1940	Rubber balls, toys, and balloons	44.5	6.0
43.9	1940-1941	Leaf processing performed by tobacco mfgrs.	20.5	3.4
		45.0 - 49.9		
47.5	1939-40	Sawmills	53.0	8.7
46.1	February,1941	Blended and prepared flour	50.2	8.7
49.0	1939-40	Plywood mills	50.0	7.5
47.6	January,1940	Lace and fluted paper	48.6	6.6
48.4	Sept., 1941 b/	Women's handbags	48.2	3.7
46.6	Sept., 1941 b/	Leather goods	47.4	4.1
48.1	January,1940	Expanding envelopes and related products	44.3	5.9
45.9	January,1942	Letter shops	43.9	5.2
46.4	January,1940	Set-up boxes	43.5	6.0
47.2	July, 1941 a/	Leather work gloves	42.2	4.2
47.1	November,1941	Buttons and buckles n.e.c.	42.0	3.9
48.7	May, 1941 b/	Robes	41.8	3.2
45.7	January, 1940	Twisted paper products	40.9	5.7
47.0	Feb.,May, 1941	Prepared feeds	40.0	6.3
46.3	May, 1941 b/	Artificial flowers and feathers (for use on apparel)	40.2	3.5
49.0	December,1940	Chewing tobacco	40.2	5.6
47.5	March, 1940	Bindings, pipings, and trimmings	38.2	5.0
46.7	March, 1940	Schiffli machine embroideries	37.8	3.4
48.1	January, 1940	Paper cans, tubes, cones, straws, spools, etc.	37.6	3.9
47.2	Spring, 1941	Candy	37.4	4.3
48.3	November, 1941	Ocean pearl buttons and buckles	36.9	3.5
46.1	February, 1941	Juvenile, porch, and camp furniture	36.8	5.2

(13,023)

Average hourly earnings (cents)	Date of survey	Industry or branch and average hourly earnings interval	Percentage of employees earning less than 40 cents an hour	Estimated direct percentage increase in wage bills required to raise all employees to 40 cents an hour
		45.0 - 49.9 (continued)		
48.0	July, 1941 b/	Knitted fabric dress gloves	36.8	3.1
48.7	May, 1940	Rubber heels and soles	36.0	3.5
48.6	February, 1941	Wood household and office furniture	35.9	5.6
48.6	May, 1941 b/	Covered buttons and buckles	34.6	3.1
49.6	Spring, 1941	Miscellaneous wood products	34.0	4.4
49.4	Feb.,March,1940	Portable lamps	33.2	4.5
49.1	May, 1941	Canvas products	31.0	4.1
49.7	May, 1940	Toilet preparations	29.9	3.0
48.2	January, 1940	Stationery	29.0	3.0
48.1	April, 1941 a/	Handkerchiefs	28.3	2.0
49.8	October, 1941	Syrups and molasses	27.9	4.5
49.4	November, 1941	Gelalith buttons and buckles	27.8	2.0
48.9	Nov.,Dec., 1939	Gross and fibre carpet and rug mills	18.9	2.0
49.7	February, 1941	Fibre, reed, rattan, and willow furniture	15.3	1.9
		50.0 - 54.9		
50.3	February, 1940	Men's jewelry (medium and low-priced)	40.7	4.3
52.3	February, 1940	Findings and gold stock (medium and low-priced)	39.6	5.5
50.5	February, 1940	Cigarette lighters and compacts (medium and low-priced)	38.5	5.1
51.5	January, 1940	Plain rolls, adding machine rolls, counter rolls, etc.	36.4	5.2
53.1	January, 1940	Looseleaf and blank books; tablets and pads; index cards	28.9	3.2
52.1	February, 1940	Miscellaneous jewelry (medium and low-priced	27.7	2.8
51.3	January, 1940	Paper products, n.e.c.	27.4	3.8
52.9	May, 1940	Rubber sundries	27.4	2.9
54.6	May, 1941 b/	Men's neckwear	25.5	1.8
54.2	Feb.,May 1941	Flour and other grain mill products	25.0	3.4
52.8	January, 1940	Paper, cellophane, and glassine bags	24.9	2.6
51.3	January, 1940	Paper shipping sacks	22.0	1.9
51.9	January, 1940	Paper towels and toilet tissue	20.0	2.2
51.3	January, 1940	Photo mounts	19.0	2.1
54.7	1939-40	Stock mill work	19.0	2.2
52.2	August, 1940	Enameled utensils	18.7	1.4
53.4	December, 1940	Snuff	16.2	1.5
51.8	November, 1941	Cellulose compound buttons and buckles	11.6	1.0
54.6	January, 1940	Paper bottle caps and hoods	11.0	1.0
54.6	December, 1940	Smoking tobacco	5.8	0.6
54.9	April,Sept. 1941	Warm-air furnaces	2.8	0.2
		55.0 - 59.9		
59.7	1939-40	Logging	36.6	
58.6	February, 1940	Costume jewelry (precious, medium, and low-priced)	29.8	3.6
55.0	February, 1940	Findings and gold stock (precious, medium, and low-priced	28.5	2.6
58.7	January, 1940	Paper tags and labels	24.6	2.1
57.9	February, 1940	Miscellaneous jewelry (precious, medium, and low-priced)	24.2	2.6
57.4	January, 1940	Miscellaneous rolled and wrapping specialties	23.0	2.1
55.4	March, 1941	Class III, Property motor carriers	20.9	2.8
55.8	February, 1940	Fraternal and emblematic jewelry (medium and low-priced)	20.9	1.8
56.1	November, 1941	Vegetable ivory buttons and buckles	20.6	2.1
58.2	Sept. 1941 b/	Luggage	19.6	1.2
57.9	January, 1940	Carbon paper	19.4	1.8
56.6	January, 1940	Paper die-cut specialties	19.0	2.0
55.5	December, 1940	Cigarettes	17.0	1.0
56.6	May, 1940	Drug and medicine	17.4	1.6
58.1	July, 1942	Fountain pens and mechanical pencils	17.0	1.5
57.5	July, 1942	Wood-cased lead pencils	16.3	1.7
59.4	January, 1940	Folding paper boxes	15.5	1.6
55.0	January 1940	Commercial envelopes	15.2	1.5
56.5	January, 1940	Paper cups	15.2	1.3
57.9	April,Sept.,1941	Gas cooking and heating appliances	14.5	1.5
56.2	May, 1940	Miscellaneous rubber goods	12.4	1.2

(13,023)

Average hourly earnings (cents)	Date of survey	Industry or branch and average hourly earnings interval	Percentage of employees earning less than 40 cents an hour	Estimated direct percentage increase in wage bills required to raise all employees to 40 cents an hour
		55.0 - 59.9 (continued)		
56.2	January, 1940	Paper shipping containers	12.4	1.2
56.6	July, 1942	Pen points	12.4	1.0
58.6	May, 1940	Rubber boots and shoes	10.8	0.9
57.2	January, 1940	Glazed and fancy papers	6.5	0.8
59.4	January, 1940	Waterproof papers	6.1	0.6
		60.0 - 64.9		
62.7	July, 1941 b/	Leather dress gloves	24.4	1.6
60.0	1939-40	Custom mill work	20.3	2.4
60.5	August, 1941	Mercury smelting	15.6	0.6
61.5	January, 1942	Bookbinding	14.0	1.3
60.7	Spring, 1941	Chewing gum	13.5	1.4
61.2	August, 1941	Mercury mines	13.2	0.6
64.3	March, 1941	Class II, property motor carriers	11.5	1.2
62.8	November, 1941	Synthetic resin buttons and buckles	8.7	0.5
60.9	January, 1940	Gummed papers	7.3	0.5
60.7	Spring, 1941	Chocolate and cocoa	4.6	0.3
64.9	July, 1942	Crayons	3.9	0.1
61.5	Nov.,Dec., 1939	Independent wool carpet yarn mills	1.5	0.1
61.4	October, 1941	Beet sugar	1.3	0.1
60.1	April,Sept., 1941	Cast iron boilers and radiators	0.3	•
64.7	January, 1940	Sensitized papers	0.2	•
		65.0 - 69.9		
67.0	January, 1942	Small newspapers	19.2	2.0
68.2	October, 1941	Refined cane sugar	12.0	1.5
69.2	March, 1941	Class I, property motor carriers	8.8	0.8
65.8	May, 1940	Mechanical rubber goods	6.3	0.4
67.1	February, 1941	Cereal preparations	5.4	0.3
66.0	January, 1940	Waxed paper	4.8	0.5
65.8	Nov.,Dec., 1939	Wool rug and carpet mills	3.6	0.2
66.5	January, 1940	Sandpaper	0	0
		70.0 - 74.9		
70.8	March, 1940	Pleating, stitching, bonnaz, and hand embroidery	23.5	2.5
70.4	February, 1940	Fraternal and emblematic jewelry (precious, medium, and low-priced)	14.1	1.1
70.8	March, 1941	Passenger motor carriers	11.1	1.1
72.8	August, 1941	Copper mines and mills	3.2	0.1
70.1	August, 1941	Secondary smelters of non-ferrous metals	2.9	0.1
72.9	August, 1941	Non-ferrous metal foundries	2.5	0.1
74.3	August, 1941	Machined products (non-ferrous metals)	1.8	0.1
74.4	August, 1941	Alloying, drawing, and rolling of non-ferrous metals (other than copper, brass, or bronze)	0.1	•
		75.0 - 79.9		
78.4	January, 1942	Commercial printing	10.8	0.8
77.2	January, 1942	Lithography	9.5	0.7
76.6	August, 1941	Lead and zinc mines and mills	0.6	•
76.9	May, 1940	Reclaimed rubber	0.5	•
77.4	August, 1941	Non-ferrous mines and mills other than copper, lead, zinc, and mercury	0.5	•
75.0	August, 1941	Copper smelting	0.1	•
76.8	August, 1941	Lead smelting	0.1	•
77.9	August, 1941	Copper refining, electrolytic	0.1	•
79.8	January, 1940	Auto panels	•	•
		80.0 - 84.9		
81.8	January, 1942	Books	9.7	0.6
83.3	January, 1942	Private printing plants	2.5	0.1
83.8	May, June, 1940	Automotive parts	2.0	0.1
83.5	August, 1941	Zinc smelting	0.1	•
80.9	August, 1941	Electrolytic zinc refining	0	0

Average hourly earnings (cents)	Date of survey	Industry or branch and average hourly earnings interval	Percentage of employees earning less than 40 cents an hour	Estimated direct percentage increase in wage bills required to raise all employees to 40 cents an hour
		85.0 - 89.9		
86.0	February, 1940	Miscellaneous jewelry (precious)	8.9	0.7
86.2	January, 1942	Periodicals	8.4	0.5
88.5	August, 1941	Die casting (non-ferrous metals)	0.2	•
88.7	August, 1941	Alloying, drawing, and rolling of copper, brass, and bronze	0.1	•
		90.0 - 94.9		
92.0	February, 1940	Rings, (precious)	9.8	0.9
92.9	May, 1940	Rubber tires and tubes	1.0	•
94.8	1939-40	Shingle manufacturing	0.1	•
		95.0 - 99.9		
96.1	May, June, 1940	Automobiles	0	0
		100.0 and over		
124.0	January, 1942	Gravure printing	0.8	•

• Less than five-hundredths of one percent.

a/ The minimum wage in this industry was 32½ cents an hour at the time of the survey.

b/ The minimum wage in this industry was 35 cents an hour at the time of the survey.

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